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PRESS FACTS  
B.C. TELEPHONE COMPANY  
1971







JUN - 8 1971

BRITISH COLUMBIA TELEPHONE COMPANY

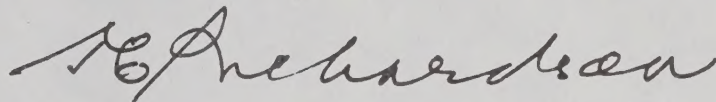
PRESS FACTS

The British Columbia Telephone Company Press Facts has been assembled as a reference manual for use by the news media.

It is part of our continuing program to keep the news media fully informed about our Company.

The information on the pages of this reference manual will be kept up to date and you will receive new pages with changes and additions as developments warrant.

We trust that it will be of assistance to you in your news reporting about the Company.

A handwritten signature in dark ink, appearing to read "J. Ernest Richardson". The signature is fluid and cursive, with the first name "J" and last name "Richardson" clearly distinguishable.

J. Ernest Richardson  
PRESIDENT AND CHIEF EXECUTIVE OFFICER






BRITISH COLUMBIA TELEPHONE COMPANY

PRESS FACTS





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BRITISH COLUMBIA TELEPHONE COMPANY

DIRECTORS

Harry M. Boyce, Vancouver, B.C.  
James J. Clerkin Jr., New York, N.Y.  
Theodore S. Gary, New York, N.Y.  
Gerald H.D. Hobbs, Vancouver, B.C.  
Allan M. McGavin, Vancouver, B.C.  
Victor F. MacLean, Vancouver, B.C.  
John A. McMahon, Vancouver, B.C.  
Winfield S. Pipes, Vancouver, B.C.  
Donald C. Power, New York, N.Y.  
J. Ernest Richardson, Vancouver, B.C.  
Richard B. Wilson, Victoria, B.C.





BRITISH COLUMBIA TELEPHONE COMPANY

OFFICERS

J. Ernest Richardson, President and Chief Executive Officer

Gilbert F. Auchinleck, Vice-President - Staff (Operations)

Roland J. Bouwman, General Counsel and Secretary

J. H. (Jack) Bruce, Vice-President - Personnel & Industrial Relations

Darell Campbell, Assistant Secretary and Assistant Treasurer

Jack C. Carlile, Vice-President - Finance

Terence F. Heenan, Vice-President - Operations

Gordon F. MacFarlane, Vice-President - Corporate Development

D. Barry McNeil, Comptroller

Aubrey W. Vaughan, Treasurer





BRITISH COLUMBIA TELEPHONE COMPANY

DIRECTORS - BIOGRAPHIES





HARRY M. BOYCE

Born in Phoenix, B.C., Mr. Boyce spent 25 years on the staff of the B.C. Telephone Company and has been a director of the Company since 1943. He is a graduate of McGill University.

He became treasurer of B.C. Tel the same year he joined the Company, and was made a vice-president in 1950. In late 1962, following his retirement from the Company, he became president of the Yorkshire Corporation Ltd. In mid-1965, he became chairman of the board of the Yorkshire Financial Corporation Limited and its associated companies.

He is a past chairman of the Vancouver Public Library Board and past president of the Vancouver Community Chest and Council, the Canadian Club of Vancouver and the Vancouver Advisory Board of the Salvation Army; member of the board of the Vancouver Foundation, the Library Development Commission of British Columbia; and director of the British American Bank Note Company Limited and other companies.





JAMES J. CLERKIN, Jr.

Born in New Britain, Connecticut, Mr. Clerkin graduated from Worcester Polytechnic Institute in 1944 with a Bachelor of Science degree in mechanical engineering.

He is executive vice-president - telephone operations and a director of General Telephone & Electronics Corporation. He was elected a director of B.C. Telephone Company in March, 1964.

After graduation from Worcester Polytechnic Institute, he served with the U.S. Navy, then graduated from the Harvard University Graduate School of Business Administration in 1947 with a master's degree in business administration.

From 1947 until 1956, he held various management positions in the manufacturing and telephone operations of Theodore Gary and Company which merged into General Telephone in 1955.

He joined Comptometer Corporation in 1956 as a vice-president, was elected a director the following year, and was named executive vice-president in 1960. He rejoined the GTE organization in June, 1961



JAMES J. CLERKIN, Jr. (Cont'd)

as president of General Telephone & Electronics International Incorporated, and was named executive vice-president - telephone operations of General Telephone & Electronics Corporation in January, 1964. He was elected a director of GTE in April, 1968.





THEODORE S. GARY

Born in Kansas City, Mr. Gary attended Yale University and Northwestern University's School of Business.

He is vice chairman and a director of General Telephone & Electronics Corporation. He became a director of the B.C. Telephone Company December 11, 1946. He also is a director of several other GTE telephone companies.

He is president of Gary Industries, Inc., an investment company with a wide variety of interests, including manufacturing and sales in office supplies; horse racing; golf courses; and land development.





GERALD H. D. HOBBS

Mr. Hobbs is Vice-President, Pacific Region, Cominco Ltd.; Chairman, Pacific Coast Terminals Co. Ltd., New Westminster; Chairman, National Hardware Specialties Limited, Dresden, Ontario; Director and Vice-President, Hawaiian Western Steel Limited, Honolulu. He is also a director of several other companies, including The White Pass & Yukon Corporation Limited, Ocean Cement & Supplies Ltd., Dillingham Corporation Canada Ltd., and British Columbia Telephone Company (as of March 11, 1971), all of Vancouver.

He joined the RCASC in 1940 and served as an officer until 1946, when he entered the steel business, becoming General Manager of Western Canada Steel Limited in 1955, President in 1964 and Chairman in 1967.

Mr. Hobbs is a member of the U.B.C. Senate and is Vice-Chairman of the Management Committee, Health Sciences Centre at U.B.C.

He was born March 11, 1921 in Vancouver, is married to Phyllis Rae (Nicolson) Hobbs and has two sons and two daughters.



ALLAN M. McGAVIN

Born January 15, 1911 in Darvel, Scotland, he came to Canada in 1913. He was educated at Upper Canada College, Toronto and at the San Diego Army and Navy Academy, Pacific Beach, Calif.

He began his business career in Edmonton in 1928 with McGavin Bakeries, established by his father and grandfather. He worked in Los Angeles, Pasadena, Lethbridge, Alta., Edmonton and Vancouver and was elected president of McGavin Bakeries in 1948. Since 1961 he has been president of McGavin ToastMaster Limited, formed at the amalgamation of the McGavin companies and Canadian Bakeries Ltd.

Mr. McGavin is chancellor of the University of British Columbia. He is a director of several Canadian companies, including B.C. Forest Products Limited, British Properties Limited, Park Royal Limited, the Royal Trust Company, John Labatt Limited, Trans-Mountain Pipeline, Hudson's Bay Company, Hudson's Bay Oil and Gas Company Limited, and Central Heat Distribution Limited.

He has been active in many community and sports capacities, including co-Chairman of the Three Universities Capital Fund;





vice-president, Canadian Olympic Association; Honorary-Director, Amateur Athletic Union of Canada; Chairman, Pan American Games Committee; 1963 Chairman, United Appeal of Greater Vancouver; co-Chairman, B.C. Racing Commission and vice-president, Bakery Council of Canada.

He became a director of B.C. Telephone on March 11, 1971.



VICTOR F. MacLEAN

Born in Vancouver April 28, 1924, Mr. MacLean was educated at public and high schools in Vancouver.

He is president and chief executive officer of Kelly, Douglas & Company Limited; president of Nabob Holdings Ltd., Super-Valu Stores (B.C.) Ltd., Nabob Foods Ltd., and Dickson Importing Co. Ltd.

He is chairman and director of Cal Van Caterers Ltd. and Cloverdale Paint and Chemicals Ltd., Foremost Foods Ltd.; a director of Crown Zellerbach Canada Ltd., Pacific Cartage Ltd., Grouped Income Shares Limited, National Trust Company; and a member of the Vancouver Advisory Board, Vancouver Board of Trade, Canadian Manufacturers Association, and Canadian Chamber of Commerce.

Mr. MacLean joined Kelly, Douglas & Company Limited in 1947, became secretary and assistant treasurer in 1951, a director in 1952, executive vice-president in 1953, and president in 1957.





JOHN A. McMAHON

Mr. McMahon was born in Moyie, B.C. and attended the University of British Columbia.

He is chairman of the board, and president and chief executive officer of Inland Natural Gas Co. Ltd.

He is also past-president of the Canadian Gas Association, a director of the Bank of British Columbia, and a member of the Advisory Board of National Trust Company, Limited.

Mr. McMahon became a director of the B.C. Telephone Company in March, 1963.



WINFIELD S. PIPES

Born in Kellogg, Idaho, Mr. Pipes, who is a naturalized Canadian citizen, spent his early childhood in Seattle, Washington and moved to Vancouver in 1914. Upon leaving school, he spent several years in ship-building activities and gained a Marine Engineer's certificate.

Mr. Pipes joined the B.C. Telephone Company in 1923 as a member of the Plant Department. He held a number of supervisory positions, including those of toll line engineer, and rate and development engineer before becoming general manager in 1950. He became a vice-president in 1953 and was elected a director of the Company in 1956. At the time of his retirement from the B.C. Telephone Company in 1965, he was executive vice-president. For the fifteen years prior to his retirement, he represented the B.C. Telephone Company on the Trans-Canada Telephone System's Management Committee.

Mr. Pipes is president of the Provincial Council of the St. John Ambulance Association and is a Knight of Grace of the Most Venerable Order of the Hospital of St. John of Jerusalem. He is a past president of the Vancouver Downtown Business Association, the Pacific Northwest Trade Association, the Telephone Association of Canada, and the





WINFIELD S. PIPES (cont'd)

Shaughnessy Golf and Country Club. He is a past chairman of the B. C. Library Commission and has been active in the Board of Trade for many years as a member of Council for twelve years, honorary treasurer and chairman of the finance committee for two terms and three years as a member of the Canada-U. S. committee of the Canadian and U. S. Chambers of Commerce. He is a past president of Junior Achievement of B. C. , Honorary Secretary-Treasurer of its Board of Governors and a National Director of Junior Achievement of Canada. He is a director of the Canadian Overseas Telecommunication Corporation, the Downtown Parking Corporation, and a member of the Board of Governors of the Botanical Garden Association.



DONALD C. POWER

Born in Paine Station, Ohio, Mr. Power received the degree of Bachelor of Science in Business Administration from the Ohio State University in 1922. He received his J.D. degree in 1926 and Master of Arts degree from Ohio State in 1927, and was admitted to the Ohio Bar in 1926.

He was assistant attorney general for Ohio and attorney for the State Public Utilities Commission from 1933 to 1936. From 1939 to 1943, he was secretary to the governor of Ohio.

In June, 1951, Mr. Power was elected president of General Telephone Corporation. In March, 1959, Sylvania Electric Products Inc. was merged into General Telephone Corporation, the latter company being renamed General Telephone & Electronics Corporation, and Mr. Power was elected chairman of the board and chief executive officer. On June 1, 1966, Mr. Power retired from the post of chief executive officer, continuing as chairman of the board.

He became a director of the B. C. Telephone Company December 6, 1955. He also is a director of numerous other companies and is recognized as one of the top business leaders in the United States.





J. ERNEST RICHARDSON

(See Officers - Biographies)



RICHARD B. WILSON

Born in Victoria, Mr. Wilson was educated at University School there, at Trinity College School, Port Hope, Ontario, and at McGill University where he graduated in 1924 with a Bachelor of Commerce degree. He was elected a director of B.C. Telephone Company March 29, 1967.

Mr. Wilson was president of Wilson Motors Limited from 1930 until 1955 and currently is a director of the Canada Trust Company, British Columbia Forest Products Limited, Bapco Paint Co. Ltd., Canadian Broadcasting Corporation, and Ocean Cement Ltd.

He was mayor of the City of Victoria in 1962-63-64-65, and was chancellor of the University of Victoria from 1966 through 1969.

He is an honorary life member of the Alumni Association of the University of British Columbia, and received an honorary degree of Doctor of Laws from the University of British Columbia in 1969.

He is an honorary citizen of the City of Salaberry de Valleyfield, Quebec.



BRITISH COLUMBIA TELEPHONE COMPANY

OFFICERS - BIOGRAPHIES





J. ERNEST RICHARDSON

Mr. Richardson was born in Winnipeg, Manitoba, on January 13, 1911. He was raised and educated in Halifax, Nova Scotia, where he attended public schools, the Halifax County Academy and Dalhousie University. He graduated in Arts from Dalhousie in 1934 and in Law in 1936 and was called to the Bar of Nova Scotia in 1936.

He was manager of the Eastern Trust Company in Charlottetown, P. E. I., from 1940 to 1942. He served with the 26th Battery, 4th Canadian Field Regiment, 1942-45.

He was secretary and general counsel with the Maritime Telegraph & Telephone Company Limited, Halifax, from 1946 to 1956; general commercial manager of that company from 1956 to 1957; assistant to the president, January 1, 1958; vice-president and director, February 19, 1958; and became president of the Maritime Telegraph & Telephone Company Limited in February, 1959.

He also served as assistant to the president and director of the Island Telephone Company Limited, Halifax, from April, 1958, until he was named president of that company in May, 1959.



Mr. Richardson was appointed president of B.C. Telephone Company, August 30, 1963. At the time of his appointment as president and chief executive officer of the B.C. Telephone Company, he was president of both the Maritime Telegraph & Telephone Company and the Island Telephone Company. In 1971 he assumed the added responsibilities of Chairman of the Board of B.C. Tel.

Mr. Richardson is a director of MacMillan Bloedel Limited, Placer Development Ltd., The Halifax Insurance Company, The Commercial Life Assurance Company of Canada, the Canadian Imperial Bank of Commerce and Lafarge Canada Ltd. He is a regular member of The Conference Board, and a member of its Canadian Council.

He married Marian Stephens Findlay of Guelph, Ontario on June 22, 1940 and they have three sons and two daughters.





GILBERT F. AUCHINLECK

Mr. Auchinleck was born and educated in Vancouver. He was graduated in electrical engineering from the University of British Columbia in 1944 and joined B.C. Telephone Company in 1946 after serving two years in the Canadian Army. He served as a lieutenant in the RCME.

Mr. Auchinleck has held a number of managerial positions in the Company, including Island division manager, before being appointed vice-president - staff (operations) in December, 1970. He is a member of the Board of Governors of the University of Victoria and the Association of Professional Engineers in B.C.



ROLAND J. BOUWMAN

Mr. Bouwman was born in Heerlen, The Netherlands, and was educated at Leduc, Alberta, John Oliver High School in Vancouver and the University of British Columbia. He was in the RCAF for five years and was attached to the RAF for three years overseas as an Observer with the rank of Flight Lieutenant. He spent twelve years with the RCAF Auxiliary Reserve in Vancouver as O.C. Reserve Recruiting.

Mr. Bouwman took his law degree at UBC and was called to the bar in October, 1955. In 1956, he became a prosecutor for the City of Vancouver and was deputy city prosecutor from 1964 until July 1, 1968, when he was appointed general counsel of the B.C. Telephone Company. On August 1, 1969, he was appointed general counsel and secretary. For the last seven years, he has been a member of the Board of the Vancouver Centennial Museum and H.R. MacMillan Planetarium.



J. H. (JACK) BRUCE

Mr. Bruce was born in Windsor, Ontario and graduated from the University of Windsor in 1952. He started his career with the Ford Motor Company of Canada Ltd., and has been associated in various executive positions involving personnel, industrial relations and corporate development responsibilities with Canada Packers Ltd., and with the Del Monte organization in both Canada and the United States.

Mr. Bruce was appointed director of personnel and industrial relations of the B.C. Telephone Company in September, 1969, and became vice-president - personnel and industrial relations in June, 1970.





DARELL CAMPBELL

Mr. Campbell was born in Vancouver, and is a Commerce graduate of the University of British Columbia and a past president of The Society of Industrial Accountants of Canada.

Mr. Campbell joined B. C. Telephone in 1957 and has held various posts before being appointed Assistant Secretary and Assistant Treasurer on August 19, 1970.



JACK C. CARLILE

Mr. Carlile was born November 28, 1921 in Vancouver, B.C. He graduated in electrical engineering in 1944 from the University of British Columbia. After 18 months in the Canadian Army, he returned to UBC and obtained his Commerce degree in 1946.

From 1946 to 1950, he was with Canadian Industries Limited in various capacities. From 1950 to 1954, he was in the employ of Brazilian Traction Light and Power Company, serving in South America.

He joined the B.C. Telephone Company June 1, 1954 as an engineering assistant. He became staff assistant July 1, 1955; supervisor of plant methods and results December 1, 1955; general plant supervisor May 1, 1956; Coastal Division engineering and construction manager on February 15, 1961; and director of material purchasing and controls on July 1, 1962.

He was named director of staff services May 1, 1964. On June 1, 1965, he was appointed assistant vice-president - finance, and on January 1, 1966, he became vice-president - finance.



TERENCE F. HEENAN

Mr. Heenan was born and raised in Halifax. He obtained his Bachelor of Science degree from St. Mary's University, Halifax, in 1947, and his Bachelor of Electrical Engineering degree from Nova Scotia Technical College, Halifax, in 1949. The same year, he joined the Maritime Telegraph and Telephone Company in Halifax and held various positions in the engineering and traffic departments before becoming Assistant Chief Engineer with that company in 1963.

In 1965, he was appointed chairman of the Advisory Group of the Trans-Canada Telephone System, with headquarters in Montreal. He held that post until his appointment with B.C. Telephone Company.

On September 1, 1967, he was appointed vice-president - staff (operations) with B.C. Tel and on December 15, 1970, he became vice-president - operations.





GORDON F. MacFARLANE

Mr. MacFarlane was born in Victoria in 1925. He attended the University of British Columbia following service with the RCAF from 1943 to 1946, and in 1950 he obtained his Bachelor of Applied Science degree in electrical engineering.

He joined the B.C. Telephone Company in May, 1950 and has served as an equipment engineering assistant, automatic equipment engineer, plant extension engineer, Coastal Division engineering and construction manager, district manager, and director of plant and engineering services. He was appointed chief engineer and director of plant services in February, 1966.

On October 1, 1967, Mr. MacFarlane was appointed vice-president - operations, and on December 15, 1970, became vice-president - corporate development. In this capacity, he is responsible for the formulation of corporate plans, policies, and objectives for liaison with other communications companies and departments of Government.

He is a director of Telesat Canada and is presently a member of council of the Vancouver Board of Trade.



D. BARRY McNEIL

Mr. McNeil was educated at Vancouver College and the University of British Columbia. He joined Riddell, Stead, Graham & Hutchison, chartered accountants, in 1952, obtained his chartered accountant's certificate in 1957 and became a partner in the firm in 1964.

Throughout this period, he was associated with the B.C. Telephone Company in connection with auditing, financial and regulatory affairs.

On August 1, 1967, Mr. McNeil was appointed comptroller of B.C. Tel.



AUBREY W. VAUGHAN

Mr. Vaughan was born in Vancouver, B.C. on August 18, 1909. He received his education at Vancouver public schools and the University of British Columbia.

Following two and one half years with the Canadian Bank of Commerce, he joined the Independent Sales and Engineering Co. Ltd. on January 1, 1930 as bookkeeper. This company was a predecessor of Canadian Telephones & Supplies Ltd.

After holding various administrative positions including Secretary, Treasurer and Director with Canadian (B.C.) Telephones & Supplies Ltd., Dominion Directory Company Limited and Automatic Electric Sales (Canada) Limited, he became Vice-President and General Manager of Canadian (B.C.) Telephones & Supplies Ltd. on January 1, 1958.

On January 1, 1962, he joined British Columbia Telephone Company as Assistant Vice-President - Revenue Requirements. On July 1, 1965, he became Director of Finance and on August 1, 1969 was elected Treasurer.



## BRITISH COLUMBIA TELEPHONE COMPANY

### Capsule History

Telephones were first installed in British Columbia in the spring of 1878 at two different locations on Vancouver Island. A mechanic named William H. Wall, at the Wellington Colliery of Dunsmuir, Diggle and Company, manufactured two telephone instruments and they were installed on a wire line built between the mine and the loading docks at Departure Bay, a few miles away. At approximately the same time, Mr. R.B. McMicking, Superintendent of British Columbia Telegraphs, leased two telephone instruments from the Bell Telephone Company of Canada and installed them on a line between his home and a downtown office, for demonstration purposes.

First telephone company in British Columbia was incorporated May 8, 1880, as the VICTORIA AND ESQUIMALT TELEPHONE COMPANY, LIMITED.

First mainland system was founded February 18, 1884, as the NEW WESTMINSTER AND PORT MOODY TELEPHONE COMPANY, LIMITED. The name was changed April 6, 1886, to the NEW WESTMINSTER AND BURRARD INLET TELEPHONE COMPANY, LIMITED.

The VERNON AND NELSON TELEPHONE COMPANY, LIMITED, was incorporated April 20, 1891.

New Westminster and Burrard Inlet Telephone Company, Limited, acquired Victoria and Esquimalt Telephone Company, Limited, in 1899.

Vernon and Nelson Telephone Company, Limited, was authorized to extend operations to all parts of the province May 11, 1903.





On March 14, 1904, the assets of the New Westminster and Burrard Inlet Telephone Company, Limited, and the Victoria and Esquimalt Telephone Company, Limited, were purchased by the Vernon and Nelson Telephone Company, Limited, which on July 5, 1904, had its name changed to BRITISH COLUMBIA TELEPHONE COMPANY, LIMITED.

On April 12, 1916, the WESTERN CANADA TELEPHONE COMPANY was incorporated as a federal company, with powers to operate anywhere in British Columbia and to extend lines outside B.C.

On November 29, 1919, authorization was granted to change the name from Western Canada Telephone Company to BRITISH COLUMBIA TELEPHONE COMPANY (without the Limited).

On February 8, 1923, the assets of the provincial British Columbia Telephone Company, Limited, were transferred to the new federal company. This marked the start of B.C. TEL as it is today.

The NORTH-WEST TELEPHONE COMPANY obtained a provincial charter in 1929.

British Columbia Telephone Company acquired the MISSION TELEPHONE COMPANY LIMITED in 1952; acquired the KOOTENAY TELEPHONE COMPANY LIMITED in 1953; with the North-west Telephone Company took over part of the GOVERNMENT TELEGRAPH AND TELEPHONE SERVICE territory in B.C. in 1954; and acquired CHILLIWACK TELEPHONES LIMITED in 1954.

In 1961, the North-west Telephone Company was amalgamated with British Columbia Telephone Company.

In 1966, the British Columbia Telephone Company acquired controlling interest in the Okanagan Telephone Company. At December 31, 1970, the British Columbia Telephone Company held 99.84 percent of the Okanagan Company's outstanding common shares.



## BRITISH COLUMBIA TELEPHONE COMPANY

### Company Ownership

The British Columbia Telephone Company is an investor-owned company, incorporated federally.

Anglo-Canadian Telephone Company of Montreal is the major stockholder, as it has been since 1935 when it acquired 44,943 (or 99.9%) of the 45,000 Ordinary (voting) shares then outstanding.

By 1950, Anglo-Canadian held all of the 60,000 Ordinary shares issued. Public acquisition of Ordinary shares issued during the following years reduced the Anglo-Canadian interest to as low as 33.75% of the Ordinary shares, a position reached in April, 1954.

Anglo-Canadian subsequently increased this interest gradually until by July, 1962, through shares acquired privately, on the open market, and from rights issues, it held 50.14% of the issued Ordinary shares.

At December 31, 1970, Anglo-Canadian Telephone held 1,447,431 Ordinary shares, or 50.31% of the 2,877,000 then issued and outstanding.

General Telephone & Electronics Corporation of the United States controls Anglo-Canadian Telephone Company in which it acquired controlling interest in October, 1955. At December 31, 1970, General Telephone & Electronics Corporation held an 82.09% voting control in Anglo-Canadian.

Canadian Telephones and Supplies Ltd., with headquarters in Burnaby, which does installation and some equipment assembly work for B.C. Tel under contract, is a wholly-owned subsidiary of Anglo-Canadian Telephone.

Dominion Directory Company Limited which handles printing and advertising sales for telephone directories for B.C. Tel and other telephone companies in Canada, also is a wholly-owned subsidiary of Anglo-Canadian Telephone.



BRITISH COLUMBIA TELEPHONE COMPANY

Ordinary Shareholders

At the end of 1970, a total of 2,877,000 ordinary shares of British Columbia Telephone Company stock were issued and outstanding.

The number of ordinary shareholders was 6,008.

British Columbia residents among them numbered 3,220 (or 53.5 percent of the total) and held 347,757 ordinary shares (or 12.1 percent of the total issued and outstanding).

Canadian residents among them numbered 5,695 (or 94.7 percent of the total) and held 2,820,781 ordinary shares (or 98.1 percent of those issued and outstanding). These include the holdings of Anglo-Canadian Telephone Company.

The number of shareholders in the U.S. totalled 215, holding 28,598 ordinary shares.

The number of shareholders in the United Kingdom numbered 59, holding 20,692 ordinary shares.





BRITISH COLUMBIA TELEPHONE COMPANY

Preference and Preferred Shareholders

At the end of 1970, a total of 1,735,000 preference and preferred shares were issued.

The number of preference and preferred shareholders totalled 16,919.

British Columbia residents among them numbered 10,568 (or 62.4 percent of the total) and held 648,493 shares (37.4 percent of the total issued).

Canadian residents among them numbered 16,690 (or 98.6 percent of the total) and held 1,728,324 shares (or 99.6 percent of those issued).

The number of preference and preferred shareholders in the U.S. was 160 holding 3,671 shares.

The number of preference and preferred shareholders in the United Kingdom was 55 holding 2,008 shares.



BRITISH COLUMBIA TELEPHONE COMPANY

ADMINISTRATION

The administrative structure of the Company is broken down by function, with the following reporting to the

President:

- Organization, Planning and Operations (through the Vice-Presidents of Finance, Operations, Personnel and Industrial Relations, and Corporate Development)
- Director of Public Relations
- Director of Marketing and Sales
- General Counsel and Secretary

The Vice-President - Finance is responsible for the following staff groups:

- Accounting
- Finance
- Treasury

The Vice-President - Operations is responsible for the day-to-day provision of all communications services and has reporting to him the following:

- Vice-President - Staff (Operations) who is responsible for headquarters operational services, including Commercial and Traffic Services; Planning; Plant and Engineering Services
- Supply, Transportation & Buildings Director
- Four Division Managers, responsible for day-to-day operation of the communications network and for the associated engineering, construction, maintenance, traffic and commercial functions in their respective geographic areas

The Vice-President - Personnel and Industrial Relations is responsible for all personnel and industrial relations matters, including collective bargaining with the Federation of Telephone Workers, employee health and welfare, benefits and records, recruitment, management employee training and development, safety, and wage and salary administration.

The Vice-President - Corporate Development is responsible for directing the formulation and recommendation of policies, plans, and objectives to meet the Company's future total telecommunications needs.

The Director of Public Relations is responsible for developing, establishing, and promoting the use of public relations policies, procedures, plans, and programs which will develop, maintain and enhance favorable public



attitudes toward the Company. He develops, recommends and implements short-range and long-range public relations objectives, plans and programs, working in close co-ordination with all other major departments in the Company.

The Director of Marketing and Sales is responsible for all marketing and sales activities of the Company. He and his staff work to develop the Marketing point of view in Company policies, and to develop new uses and new users for existing facilities. They study the market for new equipment, and integrate Marketing plans with existing facilities and with the construction, manufacturing and supply programs.

The General Counsel and Secretary is responsible for all legal matters affecting the Company, and also carries out the duties of Secretary as set forth in the by-laws.

Following are brief descriptions of the operating Divisions:



BRITISH COLUMBIA TELEPHONE COMPANY

COASTAL DIVISION

The Coastal Division, with headquarters in Vancouver, includes Greater Vancouver, the Fraser Valley as far as Boston Bar, the Sechelt Peninsula and the Howe Sound area embracing Squamish and extending to Pemberton. The Division is divided into Districts: Vancouver No. 1, Vancouver No. 2 & North Shore, and New Westminster & Fraser Valley.

The Division covers an area of 11,900 square miles, or 3.2% of the total area of the province. (See map for exact boundaries.)

	<u>Telephone</u>	
	<u>Business</u>	<u>Home</u>
Division Manager: G.C. MacDonald	662-8027	987-6690
District Customer Service Managers:		
Vancouver No. 1 - C.L. Bennie	662-8032	298-1900
Vancouver No. 2 & North Shore - G.A. Mitchell	662-0595 872-2432	263-4400
New Westminster & Fraser Valley - S.R. Hartney	522-1277	988-5678





BRITISH COLUMBIA TELEPHONE COMPANY

ISLAND DIVISION

The Island Division, with headquarters in Victoria, includes all of Vancouver Island and the mainland coast from Jervis Inlet, just below Powell River, north to the boundary of the Northern Division, with the exception of Bella Coola. There are three Districts in the Division: Victoria, Nanaimo, and Campbell River.

The Division covers an area of 32,700 square miles, or 8.8% of the total area of the province. (See map for exact boundaries.)

		<u>Telephone</u>	
		<u>Business</u>	<u>Home</u>
Division Manager: G.M. Smith		386-8991	383-5454
Division Customer Service Manager:			
	- R. C. Simpson	386-8717	477-5566
District Customer Service Managers:			
Victoria	- L. A. Huxtable	386-8941	477-1621
Nanaimo	- J. N. Stewart	753-3120	758-2230
Campbell River	- R. V. Ostler	287-3324	287-7100



BRITISH COLUMBIA TELEPHONE COMPANY

INTERIOR DIVISION

The Interior Division, with headquarters at Kamloops, extends from the eastern boundary of the Coastal Division to the Alberta border and from the international boundary to a line drawn across the province that passes just south of Quesnel. After reaching the coast the line dips below the Queen Charlotte Islands. Bella Coola is included in this Division. There are three Districts: Kamloops, West Kootenay (Headquarters - Nelson) and East Kootenay (Headquarters - Cranbrook).

The Division covers an area of 75,200 square miles or 20.3% of the total area of the province. (See map for exact boundaries).

		<u>Telephone</u>	
		<u>Business</u>	<u>Home</u>
Division Manager: G.K. Stenner		374-4212	372-8000
District Managers:			
Kamloops	- D.A. Smith	374-4233	372-2100
West Kootenay	- D.S. Knight	352-9221	352-5100
East Kootenay	- N.F. Wilson	426-4848	426-2434



BRITISH COLUMBIA TELEPHONE COMPANY

NORTHERN DIVISION

The Northern Division, with headquarters in Prince George, consists of all territories north of the Interior Division boundary ( a line from the Alberta border to the coast that passes just south of Quesnel) served by the Company. This includes the Queen Charlotte Islands and Kitimat on the coast, Atlin on the north and the Peace River area in the east. The Division is divided into three Districts: Prince George, Terrace and Peace River.

The Division covers an area of 240,900 square miles or 65.1% of the total area of the province. (See map for exact boundaries.)

		<u>Telephone</u>	
		<u>Business</u>	<u>Home</u>
Division Manager: C.R. Swabey		563-1434	563-1100
District Managers:			
Prince George	- F.G. McGee	563-1454	564-6861
Terrace	- S.G. Patterson	635-5011	635-3044
Peace River	- R. Johnston	782-3545	782-7000



BRITISH COLUMBIA TELEPHONE COMPANY  
SUPPLY, TRANSPORTATION AND BUILDINGS DEPARTMENT

The Company maintains a central purchasing and warehousing operation at 6969 - 10th Avenue, Burnaby, B.C.

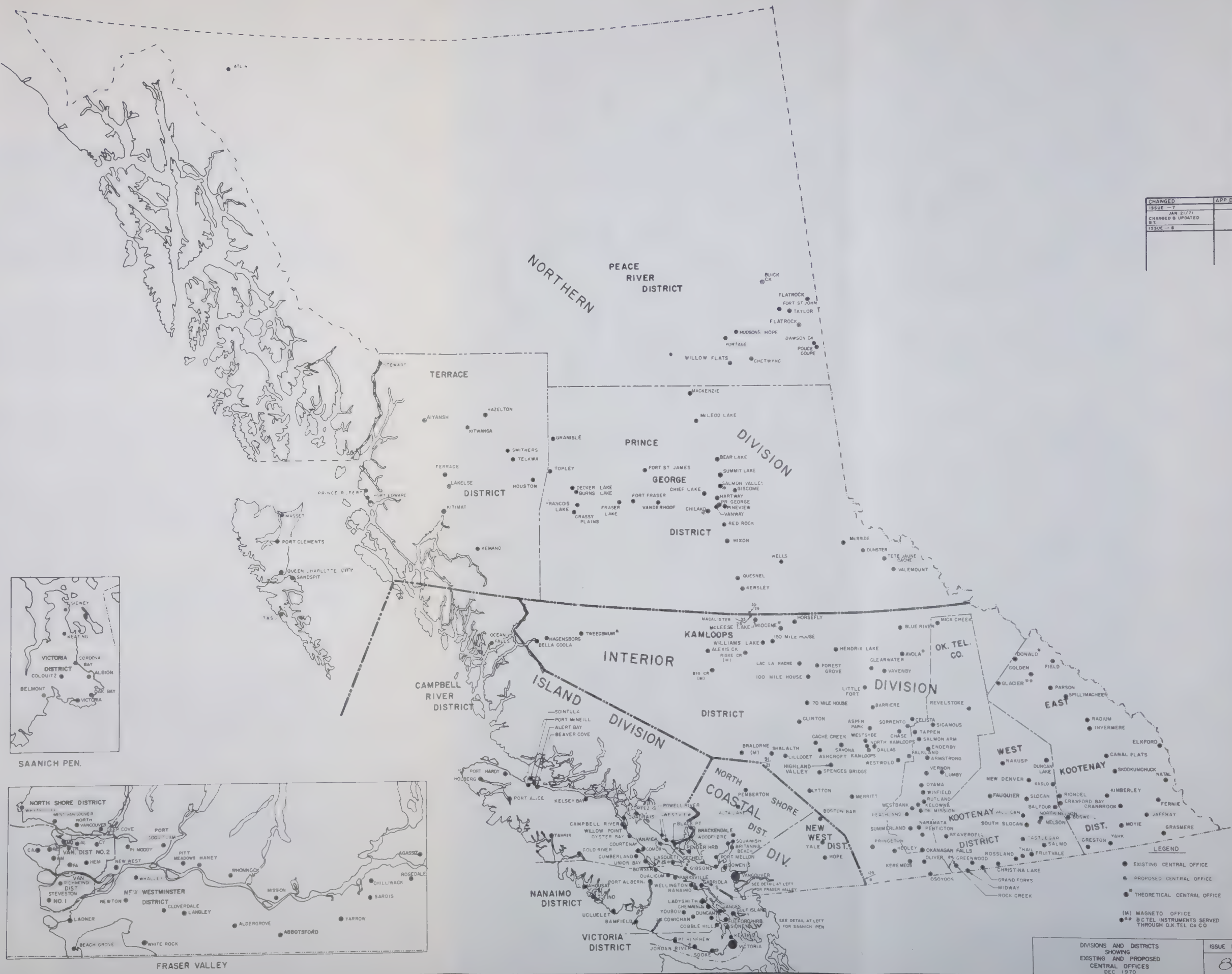
On this 21-acre site are the Purchasing Department; a central stores depot that serves as the main supply warehouse for the whole Company; the Transportation Department which maintains all Company vehicles; and the Buildings Department whose responsibility is the maintenance of Company buildings. Here also are shops where used equipment is repaired and rehabilitated and new equipment is modified to meet special customer requirements.

	<u>Telephone</u>	
	<u>Business</u>	<u>Home</u>
Supply, Transportation & Buildings Director:		
E. P. LaBelle	526-8611	683-3636





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## BRITISH COLUMBIA TELEPHONE COMPANY

### History of Regulation

The British Columbia Telephone Company, in common with other utility companies in North America, operates under regulation by a government body.

Since B.C. Tel is incorporated as a federal company in Canada, it comes under the regulation of a federal agency, the Canadian Transport Commission, formerly known as the Board of Transport Commissioners for Canada.

The Company reports regularly to the Commission on all matters relating to telephone rates, services and earnings and must obtain the Commission's approval for issue of share capital.

Since 1921, the Company has made five applications to the Board for general rate increases to produce the revenue necessary to meet approved operating costs and to provide a reasonable return on investment so that the Company could obtain additional funds for expansion and improvement in service.

The following outlines briefly the rate applications since 1921 and the results that have ensued. The appended table shows the effect the rate changes have had on exchange services in Vancouver and Victoria.

June 29, 1949 - On this date, B.C. Telephone Company filed the first application for an increase in rates since 1921. The request was for a general increase in exchange rates to produce additional exchange revenues of \$2,261,741 per year, amounting to an increase of 17 percent in gross revenues.

The Board, in an interim order issued May 31, 1950, following public hearings in Vancouver from January 10-23, 1950 and in Victoria on January 18, 1950, authorized an increase amounting to \$1,632,455 per year or an increase of 12.27 percent on gross revenues.





## History of Regulation

On September 21, 1950, the Board's final judgment permitted introduction of a rate schedule which the Company estimated would produce an additional revenue of \$2,046,553 per year, or an increase of 15.39 percent of gross revenues. This represented 90.5 percent of what the Company had sought.

May 19, 1951 - The B.C. Telephone Company filed application for increases in exchange and toll rates to meet wage and tax cost increases amounting to \$2,202,527 a year.

It sought toll rate increases to produce additional revenue of \$661,425 annually, an increase of 12.42 percent, and exchange rate increases to produce additional revenue of \$1,535,201 annually, an increase of 11.38 percent. Together, the increases sought were for additional revenue of \$2,196,626 annually, an increase of 11.38 percent in gross revenues.

An interim order by the Board on July 6, 1951, granted the \$661,425 increase in toll revenues effective July 14, 1951 and an increase of \$1,202,914 in exchange revenues, or a total of \$1,863,339, representing 85.6 percent of the amount sought.

Subsequently, the Company filed two amendments to the application, the first on October 9, 1951, and the second on November 19, 1951, which requested additional increases in exchange rates to bring the total annual additional revenue from this source to \$1,858,888, or an increase of 14.26 percent in exchange revenues.

On January 8, 1952, the Board's final judgment confirmed to toll rate increase authorized in its interim order and authorized exchange rate schedules estimated to produce \$1,685,922 in additional annual exchange revenue, an increase of 12.88 percent. The total authorized increased rates were estimated to produce additional revenues of \$2,347,347 annually, or an increase of 12.16 percent in gross revenues.



## History of Regulation

October 22, 1952 - The B. C. Telephone Company filed application for an increase in exchange (including local paystation calls) and toll rates.

Rate schedules submitted represented an average increase of 12.2 percent in the toll items subject to increase, an increase to 10 from 5 cents in paystation local call rates, and exchange rate increases representing an average increase of 14.6 percent in the items subject to increase.

On November 24, 1952, at an interim hearing in Ottawa, the Company requested immediate relief in the amount of \$2,451,021 to cover wage and tax increases and to meet dividend and surplus requirements.

On December 4, 1952, the Board approved interim rates to be effective December 11, 1952. These granted in full the increases sought by the Company in rates and charges for the long distance toll message service, leased wire, paystation local calls, hotel local calls, excess measured calls, service connection and move and exchange charges, and approximately 35 percent of the proposed increase in exchange service rates. This represented 65 percent of the increased additional revenue sought by the Company.

On February 23, 1953, the Company submitted a revised additional revenue requirement figure of \$2,964,701. An estimated reduction in 1953 corporate income taxes reduced the revised request to \$2,609,482.

On March 24, 1953, the Board's final order confirmed the rates approved at the interim hearing and allowed increases in exchange rates which the Company estimated would result, in total, to additional revenues for 1953 of \$2,452,071, or 94 percent of its revised request. This represented a 9.95 percent increase in gross revenues.





## History of Regulation

April 2, 1958 - The B.C. Telephone Company filed an application for increases in exchange and toll rates and submitted rate schedules to produce \$1,513,961 annually in additional toll revenues, an increase of 10.11 percent, and \$4,945,632 annually in additional exchange revenues, an increase of 17.62 percent. Total additional annual revenues sought amounted to \$6,459,593, or an increase of 14.29 percent in total operating revenues.

On May 10, 1958, the Company filed notice of amendment to the application, decreasing the additional revenues required to \$3,996,000 from the \$6,459,593 in the original application. The decrease was required because the original application included an amount to cover future payment of deferred income tax which the federal cabinet subsequently ruled could not be included as a cost for rate-making purposes.

The Board's final judgment on the application was issued July 18, 1958 and disallowed 67.46 percent of the requested increase. The Company estimated the rates approved would produce additional revenues of \$1,318,324, or an increase of 2.97 percent in total operating revenues.

September 15, 1958 - The B.C. Telephone Company filed application for increases in exchange and toll rates to enable it to meet income tax payments on the basis of charging straight-line depreciation as an operating expense. The federal cabinet order had prohibited credits to a deferred tax reserve from being considered by the Board as an expense of the Company for rate-making purposes. The Company decided it was in the interests of the Company and its subscribers to pay taxes in full.

Schedules were submitted for increased toll and exchange rates to produce total additional revenues of \$5,753,842, an increase of 12.57 percent in total operating revenues.



## History of Regulation

On December 24, 1958, the Board issued its final judgment approving rates that would produce additional annual revenue of \$5,232,247, or an increase of 11.43 percent in total operating revenue. This amounted to 90.93 percent of the Company request.

March 1, 1965 - The Board of Transport Commissioners initiated a public review of the Company, serving notice on this date that it would hold public hearings in Vancouver to examine the Company's capital investment, revenues and expenses, debt charges, dividend payments and retained earnings; the permissive level of the Company's earnings and the basis on which such permissive level may be authorized for telephone rate purposes. The Board stated: "The Board does not intend at this time to enquire into the propriety of existing rates."

The public hearing began in Vancouver, October 25, and lasted 14 sitting days, ending November 12, 1965.

The Company asked that the Board find that the Company's level of earnings at that time was fair and reasonable. The Company also asked the Board to express its measurement of the Company's earnings in terms of earnings related to total capital employed in the business. The Company adopted the contention of an independent witness appearing for the Company that in the circumstances existing at that time, a reasonable range of earnings would be between 6.5% and 7.25% of capital employed.

In its judgment handed down May 4, 1966, the Board found the Company's rates and earnings were just and reasonable. The Board also accepted the request that the Company's permissive level of earnings be expressed in terms of percentage of invested capital.



## History of Regulation

The Board set the level of permissive earnings at between 6.2% and 6.6% of average invested capital, with fractions of less than 0.05% to be dropped in the computation and fractions of 0.05% and higher to be raised up to the next tenth of one percent in the computation

The Board also stated that, "its findings in the circumstances and conditions of a particular time, including the probable future trend of those circumstances and conditions, are not necessarily applicable to future times when circumstances and conditions may be altogether different."

January 22, 1969 - Letter received from Railway Transport Committee advising Company that it has received Company's present rate of return and that, in view of changed conditions, it will not order a reduction in the Company's rate structure at this time.

February 4, 1971 - Application filed with Canadian Transport Commission for approval to file new tariffs which will increase charges for services.



PROGRESSION OF TYPICAL EXCHANGE TELEPHONE RATES

Vancouver Exchange

<u>Date</u>	<u>Individual Business</u>		<u>Individual Residence</u>	
	<u>Basic Monthly Rate</u>	<u>Service Connect Charge</u>	<u>Basic Monthly Rate</u>	<u>Service Connect Charge</u>
1919, December 23	\$ 6.00	\$ --	\$ 3.00	\$ --
1921, August 16	6.60	4.00	3.30	3.00
1937, November 1	7.50	4.00	3.30	3.00
1950, June 10	9.75	4.00	4.20	3.00
1950, October 6	10.25	4.00	4.40	3.00
1951, July 14	11.25	4.40	4.85	3.30
1952, January 14	11.70	4.55	5.00	3.40
1952, December 11	12.40	5.30	5.20	3.95
1953, April 1	13.25	5.30	5.35	3.95
1958, September 8	13.25	6.50	5.50	3.95
1958, August 1	13.70	6.50	5.50	3.95
1959, January 1	17.10	6.50	6.25	4.50
1961, May 1	17.10	10.00	6.25	6.00





PROGRESSION OF TYPICAL EXCHANGE TELEPHONE RATES

Victoria Exchange

<u>Date</u>	<u>Individual Business</u>		<u>Individual Residence</u>	
	<u>Basic Monthly Rate</u>	<u>Service Connect Charge</u>	<u>Basic Monthly Rate</u>	<u>Service Connect Charge</u>
1919, December 23	\$ 5.00	\$ --	\$ 3.00	\$ --
1921, August 16	5.50	4.00	3.30	3.00
1950, June 10	7.00	4.00	3.50	3.00
1950, October 6	7.35	4.00	3.65	3.00
1951, July 14	8.10	4.40	4.00	3.30
1952, January 14	8.40	4.55	4.15	3.40
1952, December 11	8.90	5.30	4.35	3.95
1953, April 1	9.50	5.30	4.50	3.95
1958, September 8	9.50	6.50	4.65	3.95
1958, August 1	10.00	6.50	4.65	3.95
1959, January 1	13.20	6.50	5.40	4.50
1961, May 1	13.20	10.00	5.40	6.00



## BRITISH COLUMBIA TELEPHONE COMPANY

### Explanation of Rate Groups

Telephone rates in the British Columbia Telephone Company system now are based on the rate structure approved in 1958 by the Board of Transport Commissioners for Canada (now known as the Canadian Transport Commission).

Monthly charges for local business and residence telephones are known as "monthly exchange service rates" and these vary according to the number of telephones that can be reached without toll charge in the local free-calling area concerned.

The following pages set out the Exchange Rate Groups and the monthly Exchange Rates applied to each group.

Moves from one group to another are regulated. The Company must report to the Canadian Transport Commission on any exchange which outgrows its rate group by at least five percent. Where it is shown that the exchange will continue to have its total telephones remain above its existing rate group's upper limit, the Commission directs the Company to adjust the rates of the particular exchange to conform with the proper grouping. The same procedure applies should the total telephones in an exchange drop below the bottom station limit of the current grouping.

The common base is applied uniformly to exchanges of similar telephone development and rates are compatible with the scope of service offered.



## EXCHANGE RATE GROUPS

For the purpose of applying exchange service rates, exchanges are grouped according to the total number of stations in service, so that exchanges of similar station development are charged identical rates.

The station limits of the various rate groups are given below:

Group 1.....	Exchanges without continuous service (See note)
Group 2.....	1 - 1,000 stations
Group 3.....	1,001 - 2,000 "
Group 4.....	2,001 - 5,000 "
Group 5.....	5,001 - 10,000 "
Group 6.....	10,001 - 20,000 "
Group 7.....	20,001 - 50,000 "
Group 8.....	(a) Victoria and adjoining exchanges with Victoria Extended Area Service, except Sooke central office of Sooke exchange. (b) Other exchanges or central offices, excepting those with Vancouver Extended Area Service, that have stations in excess of 50,000.
Group 8A.....	Sooke central office of Sooke exchange.
Group 9.....	Vancouver and adjoining exchanges with Vancouver Extended Area Service.
Group 9A.....	Exchanges adjoining Group 9 exchanges that have Vancouver Extended Area Service.
Group 9B.....	Exchanges (other than Group 9) adjoining Group 9A exchanges that have Vancouver Ex- tended Area Service.

Note: When at the Company's discretion, continuous service is introduced in a Group 1 exchange, either under manual operation or by a conversion to automatic operation, Group 2 rates will become applicable.



## EXCHANGE RATES

The following table specifies the monthly exchange rates which shall apply to each unit of main station service or private branch exchange trunk service in all rate groups. The rates for main station services include the provision of standard single-line telephones.

RATE GROUP	BUSINESS SERVICES						RESIDENCE SERVICES			
	INDIVIDUAL (SEE NOTE 1)	MEASURED (SEE NOTES 1 & 2)	MULTI-PARTY	PBX TRUNKS		SEMI-PUBLIC (DAILY GUARANTEE)	INDIVIDUAL	TWO-PARTY	MULTI-PARTY	PBX TRUNKS
				1-WAY	2-WAY					2-WAY
1	\$ 6.25	\$ .....	\$3.90	\$ 7.95	\$ 9.30	\$ .20	\$3.35	\$2.50	\$2.10	\$4.65
2	6.75	.....	4.40	8.45	9.80	.21	3.85	3.00	2.60	5.15
3	7.60	.....	4.80	9.50	11.00	.23	4.10	3.20	2.75	5.45
4	8.50	.....	5.20	10.60	12.35	.25	4.35	3.40	2.90	5.80
5	9.55	.....	5.65	11.95	13.85	.27	4.60	3.60	3.05	6.15
6	10.75	.....	6.10	13.45	15.60	.29	4.85	3.80	3.25	6.50
7	12.00	.....	6.60	15.00	17.40	.31	5.10	4.00	3.45	6.85
8	13.20	7.90	7.10	16.50	19.25	.34	5.40	4.25	3.65	7.25
8A	14.20	8.90	8.10	17.50	20.25	.37	5.90	4.75	4.15	7.75
9	17.10	9.90	9.00	21.25	24.75	.41	6.25	4.90	4.25	8.35
9A	18.10	10.90	10.00	22.25	25.75	.44	6.75	5.40	4.75	8.85
9B	19.10	11.90	11.00	23.25	26.75	.47	7.25	5.90	5.25	9.35

**Note 1:** Where consecutive numbers are required for two or more individual flat rate or measured lines in connection with a single service, the following additional monthly charges are applicable to each line in the group:

Rate Groups 1 - 4 ..... \$ .50  
Rate Groups 5 - 7 ..... .75  
Rate Groups 8 - 9B ..... 1.00

**Note 2:** The rates shown include 100 outgoing local calls for Groups 9, 9A and 9B services and 80 outgoing local calls for Group 8 and 8A services. Excess calls are charged at \$ .05 each.





## EXCHANGES

The Rate Group and Extended Service Area, if applicable, are shown below for each exchange. Free calling exists between the Exchange and the Extended Service Area.

EXCHANGE	RATE GROUP	EXTENDED SERVICE AREA	EXCHANGE	RATE GROUP	EXTENDED SERVICE AREA
Abbotsford	6	Aldergrove and Mission	Clinton	7	
Agassiz	3		Cloverdale		
Ahousat	1		Cloverdale	8	Langley, Newton and Whalley central office of New Westminster
Aldergrove	6	Abbotsford and Langley	White Rock	9B	Ladner, Newton, New Westminster, Richmond and Vancouver
Alert Bay	3	Beaver Cove, Port McNeill and Sointula			
Alexis Creek	2		Cobble Hill	5	Duncan
Alta Lake	2		Cortez Island	2	
Ashcroft	3	Cache Creek	Courtenay	5	Cumberland and Oyster Bay
Atlin	2		Cranbrook	5	
Avola	2		Crawford Bay	2	
			Creston	4	
Balfour	2		Cumberland	5	Courtenay and Oyster Bay
Bamfield	2				
Barriere	2		Dawson Creek	5	Pouce Coupe
Bear Lake	2		Donald	2	
Beaver Cove	3	Alert Bay, Port McNeill and Sointula	Duncan	6	Chemainus and Cobble Hill
Beaverdell	2		Duncan Lake	2	
Bella Coola	2		Dunster	2	
Blue River	2				
Boston Bar	2		Elkford	2	
Boswell	2				
Bowen Island	2		Falkland	2	Westwold
Bowser	4	Parksville	Fauquier	2	
Bralorne	2		Fernie	3	
Britannia Beach	2		Field	2	
Burns Lake	3		Flatrock	2	
			Forest Grove	2	
Cache Creek	3	Ashcroft	Fort Fraser	2	
Campbell River	5		Fort St. James	2	
Canal Flats	2		Fort St. John	5	
Castlegar	4		Fraser Lake	2	
Celista	3	Chase and Sorrento	Fruitvale	5	Trail
Chase	3	Celista and Sorrento			
Chemainus	6	Duncan and Ladysmith	Gabriola Island	6	Nanaimo
Chetwynd	2				
Chief Lake	2		Ganges	3	
Chilako	2		Gibsons	4	Port Mellon and Sechelt
Chilliwack	6		Giscome	2	
Christina Lake	2		Golden	3	
Clearwater	2		Gold River	2	
			Grand Forks	3	
			Granisle	2	
			Grassy Plains	2	
			Grasmere	2	
			Greenwood	2	Midway
			Gulf Islands	2	



## EXCHANGES (Continued)

EXCHANGE	RATE GROUP	EXTENDED SERVICE AREA	EXCHANGE	RATE GROUP	EXTENDED SERVICE AREA
Haney	5		Nakusp	2	
Hazelton	2		Nanaimo	7	Gabriola Island and Ladysmith
Hedley	2				
Hendrix Lake	2		Natal	2	
Highland Valley	2		Nelson	5	
Hixon	2		New Denver	2	
Holberg	2		Newton	9A	Cloverdale, Ladner, New Westminster, Richmond and Vancouver
Hope	3				
Horsefly	2				
Houston	2				
Hudson's Hope	2				
Invermere	3	Radium			
Jaffray	2		New Westminster	9	
			New Westminster		Ladner, Newton, North Van- couver, Port Coquitlam, Port Moody, Richmond, Vancouver, West Van- couver and White Rock central office of Cloverdale
Kamloops	6				
Kaslo	2		Whalley		Cloverdale, Ladner, Newton, Port Moody, Richmond and Vancouver
Kelsey Bay	2				
Kemano	2		North Vancouver	9	New Westminster central office of New Westmin- ster, Port Moody, Rich- mond, Vancouver and West Vancouver
Keremeos	2				
Kersley	4	Quesnel			
Kimberley	4				
Kitimat	4				
Kitwanga	2				
Lac la Hache	2				
Ladner	9A	Newton, New Westminster, Richmond, Vancouver and White Rock central office of Cloverdale	Ocean Falls	2	
			Oliver	4	Osoyoos
Ladysmith	7	Chemainus and Nanaimo	100 Mile House	3	
Lake Cowichan	3	Youbou	Osoyoos	4	Oliver
Langley	6	Aldergrove and Cloverdale central office of Cloverdale	Oyster Bay	5	Courtenay and Cumberland
Lasqueti Island	2		Parksville	4	Bowser
Lillooet	2		Parson	2	
Little Fort	2		Pemberton	2	
Lone Butte	2		Pender Harbour	2	
Lytton	2		Port Alberni	6	
			Port Alice	2	
McBride	2		Port Clements	2	
Mackenzie	2		Port Coquitlam	9A	New Westminster central office of New Westminster, Port Moody and Vancouver
McLeese Lake	2				
McLeod Lake	2				
Masset	2				
Merritt	4		Port Edward	5	Prince Rupert
Midway	2	Greenwood	Port Hardy	2	
Miocene	2		Port McNeill	3	Alert Bay, Beaver Cove and Sointula
Mission	6	Abbotsford	Port Mellon	4	Gibsons and Sechelt
Moyie	2				



## EXCHANGES (Continued)

EXCHANGE	RATE GROUP	EXTENDED SERVICE AREA	EXCHANGE	RATE GROUP	EXTENDED SERVICE AREA
Port Moody	9	New Westminster, North Vancouver, Port Coquitlam, Richmond, Vancouver and West Vancouver	Stewart	2	
Port Renfrew	2		Summit Lake	2	
Pouce Coupe	5	Dawson Creek	Tahsis	2	
Powell River	5	Vananda	Tasu	2	
Prince George	7		Telkwa	4	Smithers
Princeton	3		Terrace	5	
Queen Charlotte	2	Sandspit	Tofino	2	Ucluelet
Quesnel	4	Kersley	Topley	2	
Radium	3	Invermere	Trail	6	Fruitvale and Rossland
Red Rock	2		Tweedsmuir	2	
Richmond	9	Ladner, Newton, New Westminster, North Vancouver, Port Moody, Vancouver, West Vancouver and White Rock central office of Cloverdale	Ucluelet	2	Tofino
Riondel	2		Valemount	2	
Rock Creek	2		Vallican	2	South Slokan
Rossland	5	Trail	Vananda	5	Powell River
Saanich	8	Victoria	Vancouver	9	Ladner, Newton, New Westminster, North Vancouver, Port Coquitlam, Port Moody, Richmond, West Vancouver and White Rock central office of Cloverdale
Salmo	2		Vanderhoof	3	
Salmon Valley	2		Vavenby	2	
Sandspit	2	Queen Charlotte	Victoria	8	Saanich and Sooke central office of Sooke
Savona	2		Wells	2	
Sechelt	4	Gibsons and Port Mellon	West Vancouver	9	New Westminster central office of New Westminster, North Vancouver, Port Moody, Richmond and Vancouver
70 Mile House	2		Westwold	2	Falkland
Shalalth	2		Williams Lake	4	
Skookumchuck	2		Willow Flats	2	
Slokan	2		Woodfibre	2	
Smithers	4	Telkwa	Yahk	2	
Sointula	3	Alert Bay, Beaver Cove and Port McNeill	Yale	2	
Sooke			Youbou	3	Lake Cowichan
Sooke	8A	Victoria			
Jordan River	3				
Sorrento	3	Celista and Chase			
South Slokan	2	Vallican			
Spences Bridge	2				
Spillimacheen	2				
Squamish	4				



## LONG DISTANCE RATES

Rates for long distance calls carried throughout North America are based on the airline distance between the calling and called points. The same rate always applies to calls between the same points, regardless of the direction of the call. However, in certain cases, special government taxes apply to calls in one direction but not to those in the other direction. The actual physical routing of long distance calls has no bearing on the rate charged to the customer.

Four long distance rate schedules plus overseas rate schedules apply to calls handled from British Columbia Telephone Company exchanges:

1. The British Columbia - Alberta rate schedule applies to calls between points within British Columbia or between British Columbia and Alberta, except for calls involving centers along the Alaska Highway north of Fort St. John in which case (2) below, applies.
2. The Northwest rate schedule applies to calls between centers served by B. C. Telephone Company, Okanagan Telephone Company and Prince Rupert, and centers served by Canadian National Telecommunications in B. C., Yukon and the District of Mackenzie, Northwest Territories.





3. The Trans-Canada rate schedule (Trans-Canada Telephone System) applies to calls between British Columbia points and other Canadian centers situated east of Alberta.
4. The Canada - United States rate schedule (American Telephone and Telegraph Company's Long Lines 2 rate schedule) applies on calls to the United States.

The Trans-Canada Telephone System, which provides long distance message and other communications services coast to coast in Canada, is a combination of the eight principal telephone systems which furnish the bulk of the telephones operating in the ten provinces. Each telephone system assigns the facilities necessary to carry the nationwide messages through its particular territory.

Telephone calls destined to overseas countries are handled by circuits furnished by the Canadian Overseas Telecommunication Corporation, which interconnects with the Trans-Canada Telephone System at Vancouver and Montreal. In cases where COTC does not furnish service, certain countries may be reached via the American Telephone and Telegraph Company's connecting overseas carriers.



BRITISH COLUMBIA TELEPHONE COMPANY

CAPITALIZATION

DECEMBER 31, 1970

The Company was incorporated by Special Act of Parliament of Canada: Special Act 6-7 George V (1916) Chapter 66 as amended by 4-5 George VI (1940-1941) Chapter 36, and by 11 George VI (1947) Chapter 86, and by 15 George VI (1951) Chapter 85, and by 6 Elizabeth II (1957-1958) Chapter 40, and by 8-9 Elizabeth II (1960) Chapter 66.

Authorized capital		<u><u>\$250,000,000</u></u>
Directors authorized by shareholders, Annual Meeting March 4, 1965, to issue capital, subject to approval of Board of Transport Commissioners, up to		\$250,000,000
Issued and outstanding:		
Preference and		
Preferred shares	\$83,500,000	
Ordinary shares	<u>71,925,000</u>	<u>155,425,000</u>
Balance available for issue		<u><u>\$ 94,575,000</u></u>



BRITISH COLUMBIA TELEPHONE COMPANY

CAPITAL STRUCTURE

AS AT DECEMBER 31, 1970

Ordinary shares (2,877,000 at \$25.00)	\$ 71,925,000	13.8%
Premium on Ordinary shares	<u>42,548,249</u>	<u>8.2</u>
	114,473,249	22.0
Earnings retained	<u>44,654,566</u>	<u>8.6</u>
	159,127,815	30.6
Preference and Preferred shares	<u>83,500,000</u>	<u>16.0</u>
Total Share Capital	242,627,815	46.6
Long term debt	<u>277,500,000</u>	<u>53.4</u>
Total Capital	\$ <u>520,127,815</u>	<u>100.0%</u>



BRITISH COLUMBIA TELEPHONE COMPANY

FIRST MORTGAGE BONDS AND CAPITAL STOCK OUTSTANDING

DECEMBER 31, 1970

FIRST MORTGAGE BONDS

3 3/4% Series A due March 1, 1971	\$ 16,500,000	
3 1/8% Series B due March 1, 1971	3,000,000	
3 3/4% Series C due March 1, 1971	8,000,000	
4 1/2% Series D due March 1, 1971	8,000,000	
4 3/4% Series E due October 1, 1975	7,000,000	
5 % Series F due April 1, 1982	25,000,000	
5 1/4% Series G due November 1, 1983	20,000,000	
6 % Series H due September 15, 1984	15,000,000	
5 3/4% Series I due August 1, 1985	15,000,000	
5 3/4% Series J due July 15, 1986	20,000,000	
5 5/8% Series K due April 15, 1988	20,000,000	
6 3/4% Series L due October 15, 1989	30,000,000	
6 3/8% Series M due March 15, 1991	30,000,000	
9 1/8% Series N due April 1, 1990 (1)	30,000,000	
9 5/8% Series O due November 15, 1992	18,000,000	
9 1/8% Series P due November 15, 1992 (2)	12,000,000	
		\$ 277,500,000
(1) With right of prepayment at holder's option; April 15, 1975		
(2) With right of prepayment at holder's option; November 15, 1976		

CAPITAL STOCK

Preference and preferred shares outstanding:		
6 % Cumulative preference shares of par value of \$100 each	10,000 shares	\$ 1,000,000
6 % Cumulative preferred shares of par value of \$100 each	45,000 shares	4,500,000
4 3/4% Cumulative redeemable preferred shares of par value of \$100 each	75,000 shares	7,500,000
4 3/4% Cumulative redeemable preferred shares of par value of \$100 each (Series 1956)	75,000 shares	7,500,000
4 1/2% Cumulative redeemable preferred shares of par value of \$100 each	50,000 shares	5,000,000
4 3/8% Cumulative redeemable preferred shares of par value of \$100 each	60,000 shares	6,000,000
5 3/4% Cumulative redeemable preferred shares of par value of \$100 each	100,000 shares	10,000,000
5.15% Cumulative redeemable preferred shares of par value of \$100 each	120,000 shares	12,000,000
4.84% Cumulative redeemable preferred shares of par value of \$25 each	800,000 shares	20,000,000
6.80% Cumulative redeemable preferred shares of par value of \$25 each	400,000 shares	10,000,000
		\$83,500,000
Ordinary shares outstanding of par value of \$25 each	2,877,000 shares	71,925,000
		155,425,000
		<u>\$ 432,925,000</u>





BRITISH COLUMBIA TELEPHONE COMPANY

FIRST MORTGAGE BONDS

SUMMARY OF MATURITIES

<u>Series</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount</u>	<u>Annual Interst</u>
A	3 3/4%	March 1, 1971	\$ 16,500,000	\$ 618,750
B	3 1/8%	March 1, 1971	3,000,000	93,750
C	3 3/4%	March 1, 1971	8,000,000	300,000
D	4 1/2%	March 1, 1971	<u>8,000,000</u>	<u>360,000</u>
Average	3.866%		\$ 35,500,000	\$1,372,500
E	4 3/4%	October 1, 1975	7,000,000	332,500
F	5 %	April 1, 1982	25,000,000	1,250,000
G	5 1/4%	November 1, 1983	20,000,000	1,050,000
H	6 %	September 15, 1984	15,000,000	900,000
I	5 3/4%	August 1, 1985	15,000,000	862,500
J	5 3/4%	July 15, 1986	20,000,000	1,150,000
K	5 5/8%	April 15, 1988	20,000,000	1,125,000
L	6 3/4%	October 15, 1989	30,000,000	2,025,000
M	6 3/8%	March 15, 1991	30,000,000	1,912,500
N	9 1/8%	April 1, 1990	30,000,000	2,737,500
O	9 5/8%	November 15, 1992	18,000,000	1,732,500
P	9 1/8%	November 15, 1992	<u>12,000,000</u>	<u>1,095,000</u>
Average	6.32%		<u>\$277,500,000</u>	<u>\$17,545,000</u>

December 31, 1970



BRITISH COLUMBIA TELEPHONE COMPANY

ORDINARY SHARE ISSUES

<u>Date of Issue</u>	<u>Par Value</u>	<u>"Rights"</u>	<u>Number Issued</u>	<u>Issue Price</u>	<u>Proceeds (1)</u>	<u>Total Shares Outstanding</u>
May 1927	\$100					45,000
June 1948	100	1 for 3	15,000	\$125.00	\$ 1,875,000	60,000
Nov. 1950	100	Underwriters	20,000	132.50	2,650,000	80,000
Apr. 1951	100	1 for 2	40,000	132.50	5,300,000	120,000
July 1951	Par value changed from \$100 to \$25. Shares exchanged 4 for 1					480,000
Apr. 1953	25	1 for 3	160,000	29.00	4,640,000	640,000
Apr. 1954	25	1 for 4	160,000	31.50	5,040,000	800,000
Jan. 1956	25	1 for 4	200,000	40.50	8,100,000	1,000,000
Sept. 1956	25	1 for 5	200,000	38.00	7,609,604	1,200,000
Jan. 1959	25	1 for 4	300,000	34.00	10,214,679	1,500,000
Aug. 1960	25	(2)	144,000	40.625	5,850,000	1,644,000
Mar. 1961	25	1 for 6	274,000	38.00	10,421,765	1,918,000
Aug. 1962	25	1 for 5	383,600	38.00	14,587,936	2,301,600
Sept. 1965	25	1 for 8	287,700	57.00	16,415,156	2,589,300
Feb. 1969	25	1 for 9	287,700	60.00	17,269,109	2,877,000

(1) In some cases the proceeds are greater than the issue price times the number of shares issued. This is the result of selling the few shares not taken up by "rights" at a higher price.

(2) Issued in exchange for all of the outstanding ordinary shares of North-west Telephone Company.



BRITISH COLUMBIA TELEPHONE COMPANY

ORDINARY SHARES - MARKET PRICE

Shares listed for trading:

Vancouver Stock Exchange	November 19, 1951
Montreal Stock Exchange	November 20, 1951
Toronto Stock Exchange	August 9, 1954

<u>Year</u>	<u>High</u>	<u>Low</u>	<u>Close</u>
1951	34-1/4	33-1/8	
1952	35	32	33-1/2
1953	36-1/2	32-1/2	35-7/8
1954	45	35-1/4	44-1/2
1955	50-1/8	43-1/2	50
1956	52	43	46
1957	47	37-1/4	38-1/8
1958	44-3/8	39-3/4	43
1959	47-3/8	39-1/2	42-1/2
1960	47-1/8	42	47-1/8
1961	52-1/2	45	50-7/8
1962	56-3/8	45	51
1963	57-3/4	52	57-1/2
1964	68	54-1/2	66
1965	72	63-1/2	66-1/2
1966	77-1/4	53	62-1/2
1967	69-7/8	53-1/8	53-1/8
1968	71	52-1/2	69
1969	75	62-1/4	72
1970	72	55	64

December 31, 1970



BRITISH COLUMBIA TELEPHONE COMPANY

ORDINARY SHARE EARNINGS

<u>Year</u>	<u>Earnings Available for Ordinary Shares</u>	<u>Average Number of Ordinary Shares Outstanding (1)</u>	<u>Earnings per Average Ordinary Share</u>
1945	\$ 259,003	180,000	\$ 1.44
1946	386,544	180,000	2.15
1947	388,708	180,000	2.16
1948	387,872	210,000	1.85
1949	82,143	240,000	.34
1950	479,137	260,000	1.84
1951	844,108	440,000	1.92
1952	1,027,794	480,000	2.14
1953	1,818,463	600,000	3.03
1954	2,169,309	760,000	2.85
1955	2,627,068	800,000	3.28
1956	3,345,814	1,050,000	3.27
1957	3,145,108	1,200,000	2.62
1958	2,068,071	1,200,000	1.72
1959	4,567,300	1,500,000	3.04
1960	4,578,147	1,572,000	2.91
1961	5,937,903	1,849,500	3.21
1962	6,628,186	2,013,900	3.29
1963	7,609,738	2,301,600	3.31
1964	8,455,655	2,301,600	3.67
1965	9,880,115	2,373,525	4.16
1966	11,144,318	2,589,300	4.30
1967	11,433,430	2,589,300	4.42
1968	12,649,461	2,589,300	4.89
1969	14,699,612	2,805,075	5.24
1970	14,581,173	2,877,000	5.07

(1) Years 1945 - 1950 adjusted for stock split of 4 for 1 in 1951.





BRITISH COLUMBIA TELEPHONE COMPANY

ORDINARY SHARE DIVIDENDS DECLARED

<u>Year</u>	<u>Ordinary Dividend Per Share (1)</u>	<u>Total Ordinary Dividends</u>
1945	\$2.00	\$ 360,000
1946	2.00	360,000
1947	2.00	360,000
1948	2.00	420,000
1949	2.00	480,000
1950	2.00	520,000
1951	2.00	880,000
1952	2.00	960,000
1953	2.00	1,200,000
1954	2.00	1,520,000
1955	2.00	1,600,000
1956	2.00	2,100,000
1957	2.00	2,400,000
1958	2.00	2,400,000
1959	2.05	3,075,000
1960	2.20	3,458,400
1961	2.20	4,068,900
1962	2.20	4,430,580
1963	2.30	5,293,680
1964	2.40	5,523,840
1965	2.40	5,696,460
1966	2.40	6,214,320
1967	2.55	6,602,715
1968	2.70	6,991,110
1969	3.00	8,415,225
1970	3.05	8,774,850

(1) Years 1945-1950 adjusted for stock split of 4 for 1 in 1951.



BRITISH COLUMBIA TELEPHONE COMPANY

GROSS REVENUES

(Uncollectible deducted from Miscellaneous)

<u>Year</u>	<u>Local Service</u>	<u>Toll Service</u>	<u>Miscellaneous</u>	<u>Total</u>
1945	\$	\$	\$	\$ 8,723,801
1946				9,628,300
1947				10,960,576
1948				12,072,422
1949	9,068,486	3,899,400	537,225	13,505,111
1950	10,735,641	4,566,039	705,398	16,007,078
1951	13,137,842	5,672,370	743,092	19,553,304
1952	15,270,490	6,597,826	805,737	22,674,053
1953	18,034,945	7,726,253	983,016	26,744,214
1954	19,598,472	8,854,805	1,138,829	29,592,106
1955	21,249,905	10,363,764	1,371,695	32,985,364
1956	23,505,410	12,009,504	1,653,043	37,167,957
1957	25,789,123	13,560,965	1,973,241	41,323,329
1958	28,098,477	14,678,462	2,099,654	44,876,593
1959	35,152,890	17,322,785	2,391,507	54,867,182
1960	37,217,693	18,970,192	2,654,829	58,842,714
1961	40,826,116	23,685,017	2,860,909	67,372,042
1962	43,578,500	26,524,167	1,532,540	71,635,207
1963	45,821,729	29,674,041	1,895,759	77,391,529
1964	49,291,594	35,987,120	2,195,918	87,474,632
1965	53,906,008	43,561,067	2,233,438	99,700,513
1966	59,278,966	50,746,437	2,501,360	112,526,763
1967	64,405,257	54,776,882	2,803,200	121,985,339
1968	69,730,514	61,444,179	3,230,769	134,405,462
1969	75,342,583	72,640,741	4,577,496	152,560,820
1970	82,072,960	82,420,083	4,393,113	168,886,156



BRITISH COLUMBIA TELEPHONE COMPANY

REVENUE SOURCE BY PERCENTAGE

<u>Year</u>	<u>Local Service</u>	<u>Toll Service</u>	<u>Miscellaneous</u>	<u>Total</u>	<u>Regulated</u>	<u>Non- Regulated</u>
1945	%	%	%	%	%	%
1946						
1947						
1948						
1949	67	29	4	100		
1950	65	31	4	100	95	5
1951	67	29	4	100	95	5
1952	67	29	4	100	95	5
1953	67	29	4	100	95	5
1954	66	30	4	100	94	6
1955	65	31	4	100	94	6
1956	63	32	5	100	93	7
1957	62	33	5	100	92	8
1958	63	32	5	100	91	9
1959	64	32	4	100	92	8
1960	63	32	5	100	91	9
1961	61	35	4	100	90	10
1962	61	37	2	100	90	10
1963	59	38	3	100	88	12
1964	56	41	3	100	88	12
1965	54	44	2	100	88	12
1966	53	45	2	100	88	12
1967	53	45	2	100	88	12
1968	52	46	2	100	88	12
1969	49	48	3	100	88	12
1970	48	48	4	100	90	10



BRITISH COLUMBIA TELEPHONE COMPANY

TOTAL OPERATING EXPENSES

<u>Year</u>	<u>Operating</u>	<u>Depreciation</u>	<u>Taxes</u>	<u>Total</u>
1945	\$ 4,949,857	\$ 1,304,669	\$ 1,144,296	\$ 7,398,822
1946	5,752,942	1,329,462	1,022,229	8,104,633
1947	7,114,357	1,474,765	811,955	9,401,077
1948	7,874,320	1,648,442	752,490	10,275,252
1949	9,190,221	1,878,684	820,572	11,889,477
1950	10,550,051	2,103,690	1,183,882	13,837,623
1951	12,418,897	2,402,741	2,081,125	16,902,763
1952	14,488,676	2,698,423	2,458,645	19,645,744
1953	16,495,824	3,106,390	3,133,741	22,735,955
1954	17,966,704	3,680,530	3,480,986	25,128,220
1955	18,964,703	4,240,371	4,415,029	27,620,103
1956	20,899,259	4,924,403	4,952,409	30,776,071
1957	24,130,377	5,690,918	4,717,924	34,539,219
1958	26,718,975	7,099,564	4,150,627	37,969,166
1959	27,598,491	8,678,074	7,511,759	43,788,324
1960	27,915,978	9,669,597	8,646,520	46,232,095
1961	29,739,149	11,633,769	10,595,041	51,967,959
1962	31,930,849	13,926,474	11,007,277	56,864,600
1963	31,296,856	15,648,843	12,626,051	59,571,750
1964	35,715,544	18,534,784	13,499,062	67,749,390
1965	40,593,517	21,345,168	15,731,012	77,669,697
1966	48,559,759	22,944,866	17,295,826	88,800,451
1967	52,077,474	25,600,897	17,783,286	95,461,657
1968	56,567,247	27,953,331	21,011,487	105,532,065
1969	65,156,227	31,619,018	24,015,315	120,790,560
1970	77,796,171	33,089,196	23,862,310	134,747,677





BRITISH COLUMBIA TELEPHONE COMPANY

ANALYSIS OF TAXES

<u>Year</u>	<u>Provincial, Municipal and Other (1)</u>	<u>Taxes on Income</u>			<u>Total Taxes</u>
		<u>Federal</u>	<u>Provincial Share</u>	<u>Total</u>	
1945	\$	\$	\$	\$	\$ 1,144,296
1946					1,022,229
1947					811,955
1948					752,490
1949	320,456	500,116	-	500,116	820,572
1950	368,399	815,483	-	815,483	1,183,882
1951	418,089	1,663,036	-	1,663,036	2,081,125
1952	480,272	1,978,373	-	1,978,373	2,458,645
1953	587,445	2,546,296	-	2,546,296	3,133,741
1954	721,081	2,759,905	-	2,759,905	3,480,986
1955	779,669	3,635,360	-	3,635,360	4,415,029
1956	823,288	4,129,121	-	4,129,121	4,952,409
1957	1,084,871	3,633,053	-	3,633,053	4,717,924
1958	1,292,851	2,857,776	-	2,857,776	4,150,627
1959	1,492,625	6,019,134	-	6,019,134	7,511,759
1960	1,988,057	6,658,463	-	6,658,463	8,646,520
1961	2,326,740	8,268,301	-	8,268,301	10,595,041
1962	2,324,557	8,682,720	-	8,682,720	11,007,277
1963	2,568,140	8,245,660	1,601,250	10,057,911	12,626,051
1964	2,834,955	8,742,741	1,921,366	10,664,107	13,499,062
1965	3,217,764	10,261,079	2,252,169	12,513,248	15,731,012
1966	3,934,403	10,956,367	2,405,056	13,361,423	17,295,826
1967	4,649,378	10,507,126	2,626,782	13,133,908	17,783,286
1968	5,355,605	12,524,706	3,131,176	15,655,882	21,011,487
1969	6,025,040	14,392,220	3,598,055	17,990,275	24,015,315
1970	6,663,687	13,853,239	3,345,384	17,198,623	23,862,310

(1) Radio licences and unemployment insurance, etc.



BRITISH COLUMBIA TELEPHONE COMPANY

DISPOSITION OF INCOME AVAILABLE FOR FIXED CHARGES

<u>Year</u>	<u>Income Available for Fixed Charges</u>	<u>Fixed Charges</u>	<u>Income Available for Dividends</u>	<u>Dividends on Preference and Preferred Shares</u>	<u>Income Available for Ordinary Shares</u>	<u>Dividends on Ordinary Shares</u>	<u>Transferred to Retained Earnings</u>
1945	\$ 1,354,309	\$ 665,306	\$ 689,003	\$ 330,000	\$ 359,003	\$ 360,000	\$ (997)
1946	1,554,703	813,158	741,545	330,000	411,545	360,000	51,545
1947	1,586,437	842,729	743,708	330,000	413,708	360,000	53,708
1948	1,883,645	1,089,575	794,070	406,198	387,872	420,000	(32,128)
1949	1,727,134	1,148,741	578,393	496,250	82,143	480,000	(397,857)
1950	2,276,125	1,285,106	991,019	511,882	479,137	520,000	(40,863)
1951	2,794,290	1,282,472	1,511,818	667,711	844,107	880,000	(35,893)
1952	3,187,771	1,473,727	1,714,044	686,250	1,027,794	960,000	67,794
1953	4,261,785	1,719,728	2,542,057	723,594	1,818,463	1,200,000	618,463
1954	4,898,531	1,986,722	2,911,809	742,500	2,169,309	1,520,000	649,309
1955	5,714,722	1,979,528	3,735,194	1,108,125	2,627,069	1,600,000	1,027,069
1956	6,776,042	1,973,509	4,802,533	1,366,718	3,435,815	2,100,000	1,335,815
1957	7,639,690	2,916,665	4,723,025	1,577,917	3,145,108	2,400,000	745,108
1958	8,081,577	3,908,506	4,173,071	2,105,000	2,068,071	2,400,000	(331,929)
1959	11,644,046	4,971,746	6,672,300	2,105,000	4,567,300	3,075,000	1,492,300
1960	13,167,637	5,921,990	7,245,647	2,667,500	4,578,147	3,458,400	1,119,747
1961	15,781,068	6,988,165	8,792,903	2,855,000	5,937,903	4,068,900	1,869,003
1962	16,865,287	7,382,101	9,483,186	2,855,000	6,628,186	4,430,580	2,197,606
1963	18,250,436	7,322,198	10,928,238	3,318,500	7,609,738	5,293,680	2,316,058
1964	19,954,964	8,026,309	11,928,655	3,473,000	8,455,655	5,523,840	2,931,815
1965	22,135,487	8,431,372	13,704,115	3,824,000	9,880,115	5,696,460	4,183,655
1966	24,185,026	9,349,708	14,835,318	3,691,000	11,144,318	6,244,320	4,929,998
1967	27,785,831	12,661,401	15,124,430	3,691,000	11,433,430	6,602,715	4,830,715
1968	30,328,311	13,521,170	16,807,141	4,157,680	12,649,461	6,991,110	5,658,351
1969	33,369,341	14,298,729	19,070,612	4,371,000	14,699,612	8,415,225	6,284,387
1970	36,215,627	17,263,454	18,952,173	4,371,000	14,581,173	8,774,850	5,806,323



BRITISH COLUMBIA TELEPHONE COMPANY

RATE OF RETURN ON AVERAGE INVESTED CAPITAL

<u>Year</u>	<u>Average Invested Capital *</u>	<u>Income Available For Fixed Charges</u>	<u>Rate of Return on Average Invested Capital</u>
1945	\$ 25,178,280	\$ 1,354,309	5.38%
1946	26,703,553	1,554,703	5.82
1947	32,656,179	1,586,437	4.86
1948	40,247,330	1,883,645	4.68
1949	44,648,700	1,727,134	3.87
1950	48,733,295	2,276,126	4.67
1951	55,561,494	2,794,290	5.03
1952	64,064,560	3,187,771	4.98
1953	72,728,599	4,261,785	5.86
1954	84,425,631	4,898,531	5.80
1955	94,019,152	5,714,722	6.08
1956	109,157,402	6,776,042	6.21
1957	139,365,821	7,639,690	5.48
1958	168,319,561	8,081,577	4.80
1959	196,259,172	11,644,046	5.93
1960	225,828,354	13,167,637	5.83
1961	259,230,493	15,781,068	6.09
1962	275,191,889	16,865,287	6.13
1963	294,672,539	18,250,436	6.19
1964	313,217,149	19,954,964	6.37
1965	333,938,536	22,135,487	6.63
1966	365,735,694	24,185,026	6.61
1967	421,422,084	27,785,837	6.59
1968	443,719,465	30,328,311	6.84
1969	471,607,254	33,369,341	7.08
1970	515,625,132	36,215,627	7.02

\* Average invested capital includes capital stock, premium, retained earnings, long term debt and demand loans. The average is computed as the average of 12 monthly averages, using beginning and end of month figures. 1945-1949 are year-end averages.



BRITISH COLUMBIA TELEPHONE COMPANY

GROSS ADDITIONS TO PLANT

<u>Year</u>	<u>Gross Additions to Plant</u>
1945	\$ 2,252,498
1946	4,916,620
1947	5,521,790
1948	7,285,222
1949	7,884,518
1950	7,368,139
1951	9,391,493
1952	11,349,578
1953	15,550,398
1954	18,996,082
1955	21,254,856
1956	27,693,592
1957	40,818,023
1958	51,748,654
1959	40,947,467
1960	35,631,704
1961	30,801,282
1962	37,545,012
1963	35,891,660
1964	39,272,387
1965	47,983,765
1966	60,681,708
1967	65,404,244
1968	67,841,502
1969	71,008,510
1970	88,913,106





BRITISH COLUMBIA TELEPHONE COMPANY

GROSS TELEPHONE PLANT

December 31

Gross Telephone Plant

1945	\$ 35,189,463
1946	39,065,540
1947	43,450,670
1948	49,392,762
1949	55,206,282
1950	61,290,387
1951	68,562,792
1952	77,452,395
1953	89,717,329
1954	104,494,433
1955	120,330,786
1956	141,657,107
1957	176,758,724
1958	217,951,682
1959	243,690,783
1960	265,129,882
1961	308,366,305
1962	335,865,487
1963	362,955,276
1964	393,360,679
1965	429,966,904
1966	480,762,018
1967	531,255,238
1968	585,569,536
1969	645,098,900
1970	718,150,894



BRITISH COLUMBIA TELEPHONE COMPANY

GROSS INVESTMENT PER TELEPHONE

(Year-end)

<u>Year</u>	<u>Gross Investment per Telephone (Year-end)</u>
1945	\$216
1946	223
1947	224
1948	237
1949	244
1950	249
1951	260
1952	272
1953	289
1954	304
1955	324
1956	344
1957	391
1958	453
1959	482
1960	507
1961	543
1962	565
1963	581
1964	595
1965	606
1966	632
1967	653
1968	675
1969	698
1970	731



BRITISH COLUMBIA TELEPHONE COMPANY

EMPLOYEE SUMMARY

<u>Year</u>	<u>Number of Employees at December 31</u>	<u>Total Annual Payroll</u>	<u>Average Annual Payroll Per Employee</u>
1945	2,846	\$ 4,189,413	\$1,505
1946	3,385	5,132,338	1,647
1947	3,588	6,058,670	1,738
1948	3,856	7,253,358	1,949
1949	4,077	8,046,080	2,028
1950	4,526	9,149,857	2,127
1951	4,990	11,145,013	2,342
1952	5,424	13,121,789	2,520
1953	5,861	14,956,712	2,651
1954	5,845	16,261,907	2,778
1955	5,645	16,762,405	2,918
1956	6,080	18,369,471	3,133
1957	7,130	21,525,011	3,259
1958	6,878	24,742,215	3,533
1959	6,205	25,219,406	3,855
1960	5,646	24,842,661	4,192
1961	5,511	25,828,367	4,630
1962	5,330	27,011,666	4,983
1963	5,423	27,875,720	5,184
1964	5,696	30,785,133	5,537
1965	6,337	35,568,260	5,911
1966	7,243	42,004,499	6,186
1967	7,182	46,152,298	6,398
1968	7,559	50,960,249	6,914
1969	8,405	57,773,505	7,238
1970	9,146	70,705,263	7,731



BRITISH COLUMBIA TELEPHONE COMPANY

1970 EMPLOYEE SUMMARY - BY DIVISION

<u>Division</u>	<u>No. of Employees as at December 31, 1970</u>		<u>Payroll 1970</u>
Coastal Division	3,888		29,206,538
Division Traffic		1,367	6,886,128
Division Customer Service (including Customer Service Plant)		1,380	11,513,368
Division Plant and Construction		883	8,334,698
Division Engineering and Administration		258	2,472,344
Island Division	1,287		10,071,859
Division Traffic		376	1,944,532
Division Customer Service (including Customer Service Plant)		422	3,437,799
Division Plant and Construction		367	3,538,697
Division Engineering, Administration, and Public Relations		122	1,150,831
Interior Division	932		7,228,684
Kamloops District		405	3,177,231
West Kootenay District		219	1,753,261
East Kootenay District		199	1,339,902
Administration, Engineering, Public Relations, Program Center, and Division Vehicle		109	958,290
Northern Division	898		6,832,659
Prince George District		349	2,416,528
Terrace District		209	1,590,238
Peace River District		160	1,075,225
Administration, Engineering, Construction, Public Relations and Vehicle		180	1,750,668
Staff Departments (Note 1)	2,141		17,365,523
Total Company	9,146		70,705,263.

Note 1: Includes Supply, Transportation and Buildings Operations.





BRITISH COLUMBIA TELEPHONE COMPANY

SERVICE AREA

The British Columbia Telephone Company provides telephone and other communication services to almost the entire province of British Columbia.

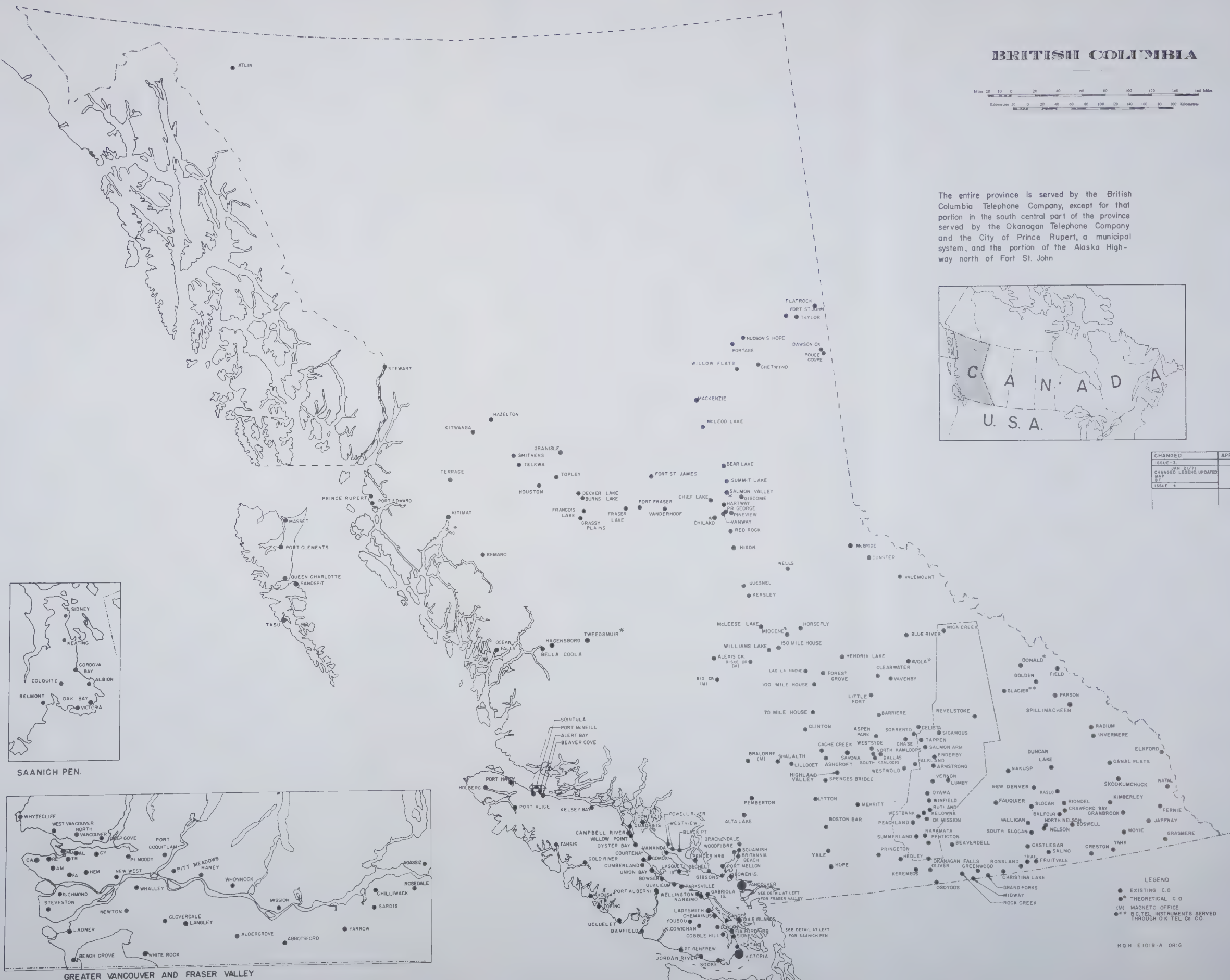
The exceptions are a portion of the Okanagan Valley\* in the south-central Interior (shown as cross-hatched on the following map), the City of Prince Rupert, and some locations along the Alaska Highway.

The Company serves approximately 96 percent of the area of the province and about 94 percent of the province's population. It operates almost 94 percent of all telephones in British Columbia.

\* In December, 1966, B.C. Telephone Company acquired a majority interest in the Okanagan Telephone Company.



CHANGED	APR
ISSUE-3.	
JAN 21/71	
CHANGED LEGEND,UPDATED	
MAP	
BT	
ISSUE 4	



LEGEND

- EXISTING C.O
- \* THEORETICAL C O
- (M) MAGNETO OFFICE
- \*\* B.C.TEL INSTRUMENTS SERVED THROUGH O.K. TEL. CO. CO.

HQ H - E 1019 - A ORIG



### OKANAGAN TELEPHONE COMPANY

Okanagan Telephone Company, incorporated on April 25, 1907, serves a fast-growing area from Mica Creek in the north to Penticton and Okanagan Falls in the south. This encompasses the whole of the famed fruit-growing Okanagan Valley in south-central British Columbia.

The company has 20 central offices in 16 exchanges including such communities as Vernon, Salmon Arm, Revelstoke, Kelowna and Summerland.

The largest telephone exchange is Kelowna with 13,614 installations, followed by Vernon and Penticton. Smallest exchange is Oyama with 255 telephones.

During 1970, the Okanagan Telephone Company carried out a \$6,198,000 construction program and by the end of the year had 55,181 telephones connected; an increase of 4,480 in the 12-month period.

The company initiated automatic service in 1951 at Oyama and Winfield, and completed the program of converting its entire system to dial in 1959. Direct Distance Dialing came to the area in 1960 when



OKANAGAN TELEPHONE COMPANY (cont'd)

automatic toll ticketing equipment was installed at Penticton, Kelowna, Vernon and Salmon Arm to permit station-to-station long distance calls to be customer dialed.

Okanagan Telephone Company employees numbered 490 at the end of 1970.





BRITISH COLUMBIA TELEPHONE COMPANY

TELEPHONES IN SERVICE

<u>Year</u>	<u>Total Telephones in Service at December 31</u>	<u>Percentage Increase</u>	<u>Percentage of Total Telephones Under Dial Operation</u>	<u>Percentage of Total Telephones with Direct Distance Dialing Facilities</u>
1945	163,135	3.4%	36.3%	%
1946	174,838	7.2	36.3	
1947	193,736	10.8	37.9	
1948	208,437	7.6	38.0	
1949	226,431	8.6	43.4	
1950	246,486	8.9	42.6	
1951	263,374	6.9	42.3	
1952	284,947	8.2	42.7	
1953	310,690	9.0	42.9	
1954	343,441	10.5	50.1	
1955	371,042	8.0	55.6	
1956	412,135	11.0	64.0	
1957	452,157	9.7	67.1	
1958	480,707	6.3	71.4	
1959	505,432	5.1	79.4	
1960	522,780	3.4	87.4	
1961	568,022	8.7	90.4	54.1
1962	594,292	4.6	96.9	67.3
1963	625,103	5.2	97.7	68.4
1964	661,708	5.5	98.3	70.1
1965	709,564	7.2	98.6	72.7
1966	761,129	7.3	98.7	72.2
1967	813,063	6.8	99.0	74.8
1968	867,880	6.7	99.6	87.5
1969	924,122	6.5	99.7	88.7
1970	982,503	6.3	99.7	91.6



BRITISH COLUMBIA TELEPHONE COMPANY

<u>December 31</u>	<u>Total Stations</u>	<u>Business</u>		<u>Residence</u>	
		<u>Stations</u>	<u>%</u>	<u>Stations</u>	<u>%</u>
1945	163,135	52,401	32.1	110,734	67.9
1946	174,838	59,057	33.8	115,781	66.2
1947	193,736	65,436	33.8	128,300	66.2
1948	208,437	71,075	34.1	137,362	65.9
1949	226,431	75,665	33.4	150,766	66.6
1950	246,486	80,299	32.6	166,187	67.4
1951	263,374	84,739	32.2	178,635	67.8
1952	284,947	89,703	31.5	195,244	68.5
1953	310,690	96,136	30.9	214,554	69.1
1954	343,441	104,923	30.6	238,518	69.4
1955	371,042	112,731	30.4	258,311	69.6
1956	412,135	123,131	29.9	289,004	70.1
1957	452,157	132,813	29.4	319,334	70.6
1958	480,707	138,666	28.8	342,041	71.2
1959	505,432	145,101	28.7	360,331	71.3
1960	522,780	148,657	28.4	374,123	71.6
1961	568,022	162,566	28.6	405,456	71.4
1962	594,292	168,095	28.3	426,197	71.7
1963	625,103	175,510	28.1	449,593	71.9
1964	661,708	186,476	28.2	475,232	71.8
1965	709,564	199,878	28.2	509,686	71.8
1966	761,129	214,795	28.2	546,334	71.8
1967	813,063	229,805	28.3	583,258	71.7
1968	867,880	244,677	28.2	623,203	71.8
1969	924,122	264,280	28.6	659,842	71.4
1970	982,503	281,829	28.7	700,674	71.3



BRITISH COLUMBIA TELEPHONE COMPANY

TELEPHONE DEVELOPMENT SUMMARY

<u>Year</u>	<u>Telephones per 100 Population</u>	
	<u>British Columbia</u> <u>Telephone Company</u>	<u>Canada</u>
1945	22.3	15.2
1946	22.8	16.3
1947	24.4	17.5
1948	25.4	18.6
1949	25.86	19.8
1950	27.37	21.0
1951	28.08	21.8
1952	29.36	22.8
1953	30.12	23.9
1954	31.57	24.9
1955	32.67	26.1
1956	34.40	27.5
1957	35.70	28.6
1958	36.58	29.6
1959	37.44	30.8
1960	37.91	31.8
1961	36.60	32.6
1962	37.45	33.7
1963	38.56	34.8
1964	39.65	36.1
1965	40.74	37.6
1966	41.91	39.3
1967	43.30	40.5
1968	45.15	42.1
1969	46.07	43.8
1970	47.86	45.2



BRITISH COLUMBIA TELEPHONE COMPANY

TELEPHONE TRAFFIC VOLUME

<u>Year</u>	<u>Average Daily Local Calls</u>	<u>Average Daily Toll Calls</u>
1945	923,237	11,870
1946	1,045,569	13,337
1947	1,130,345	14,902
1948	1,215,094	16,361
1949	1,331,717	19,138
1950	1,336,210	19,509
1951	1,410,647	21,848
1952	1,498,164	23,599
1953	1,580,276	25,163
1954	1,788,677	30,307
1955	1,904,856	35,550
1956	2,435,563	39,981
1957	2,700,964	44,613
1958	2,929,155	47,362
1959	3,129,904	48,273
1960	3,246,610	50,706
1961	3,565,308	56,828
1962	3,735,403	63,274
1963	3,896,393	65,725
1964	4,200,799	72,442
1965	4,483,761	87,441
1966	4,894,027	97,599
1967	5,130,455	104,031
1968	5,496,145	117,162
1969	5,995,375	138,365
1970	6,486,692	171,483





## BRITISH COLUMBIA TELEPHONE COMPANY

### RADIO DEVELOPMENT

The terrain of mountainous British Columbia presents many obstacles to construction of land line telephone transmission facilities. This fact has contributed to B.C. TEL's leadership in development of radio facilities which provide the telephone circuits linking the various sections of the province.

The first radio link was installed in 1929 between Campbell River and Powell River, a distance of 40 miles. But it was not until the late 1940's that radio relay began to overshadow land lines in the B.C. TEL system. By 1970, there were more than 6400 miles of toll radio relay systems.

These radio systems - Microwave, Ultra-high Frequency (including Tropospheric Scatter), Very High Frequency, and Medium High Frequency - provide circuits for local and long distance telephone services, television networks, radio broadcasting networks, data, national defence systems, teletypewriter exchange service (TWX), and for many other facilities.

Local and network television service has been extended to many communities throughout the province over B.C. Telephone facilities, and the program feeds for the CBC radio network are provided and maintained by B.C. Telephone.

The B.C. TEL microwave radio system across the province's southern regions carries programs of the two national television networks as well as hundreds of voice circuits which link British Columbia with the rest of Canada. 1968 saw the beginning of construction of the Northern Interprovincial Radio System, and in 1970 this system was put into full operation.

The two-hop tropospheric scatter system which links Port Hardy, B.C., to Annette Island, Alaska, through a relay station on Trutch Island, was inaugurated in 1963 and forms a link between Alaska and United States telephone systems for the transmission of multi-channel voice and data.

B.C. TEL operates the largest public radiotelephone network of its kind in the world, serving over 5,000 ships, hundreds of isolated fixed stations, and thousands of mobile stations on Medium Frequency, Very High Frequency, and Ultra-high Frequency systems, including the world's first automatic radio coin telephone service. Radiotelephone service is available on all major highways in British Columbia through the Very High Frequency FM network.



BRITISH COLUMBIA TELEPHONE COMPANY

GLOSSARY - TELEPHONE ABBREVIATIONS

<u>AM</u>	Amplitude Modulation	<u>COTC</u>	Canadian Overseas Telecommunications Corporation
<u>ANC</u>	All Number Calling		
<u>ANI</u>	Automatic Number Identification	<u>CPE</u>	Customer-Provided Equipment
<u>ATB</u>	All Trunks Busy	<u>CRB</u>	Customer Records and Billing
<u>B</u>	Business Service	<u>CRC</u>	Commerical Record Card
<u>BCT</u>	B. C. Telephone Company	<u>CT</u>	Coin Telephone
<u>BMEWS</u>	Ballistic Missile Early Warning System	<u>CWO</u>	Custom Work Order
<u>BRA</u>	Base Rate Area	<u>CXL</u>	Centrex Extra Listing
<u>CAMA</u>	Centralized Automatic Message Accounting	<u>DA</u>	Don't Answer
<u>CATV</u>	Community Antennae Television	<u>DAK</u>	Denies All Knowledge
<u>CAX</u>	Community Automatic Exchange	<u>DB</u>	Decibel
<u>CB</u>	Common Battery	<u>DDD</u>	Direct Distance Dialing
<u>CCTV</u>	Closed Circuit Television	<u>DEX</u>	Daily Except
<u>CI</u>	Concentrator Identifier	<u>DIR</u>	Directory
<u>CLO</u>	Circuit Layout Order	<u>DLY</u>	Daily
<u>CO</u>	Central Office or Chief Operator	<u>DM</u>	Desk Monophone
		<u>DP</u>	Drop
		<u>DSA</u>	Dial System "A"



Glossary - Telephone Abbreviations

<u>DSS</u>	Dial Selective Signalling	<u>IDF</u>	Intermediate Distributing Frame
<u>DXL</u>	Delayed Extra Listing	<u>I/M</u>	Inside Move
<u>DXS</u>	Daily Except Sunday	<u>IX</u>	Interexchange
<u>DXSS</u>	Daily Except Saturday and Sunday	<u>JO</u>	Job Order
<u>EAS</u>	Extended Area Service	<u>KIL</u>	Key-in-lieu-of telephone
<u>EAX</u>	Electronic Automatic Exchange	<u>IL</u>	One-inch Information Listing
<u>EDDD</u>	Expanded Direct Distance Dialing	<u>LLC</u>	Line Load Control
<u>EDP</u>	Electronic Data Processing	<u>LS</u>	Loudspeaker
<u>ETV</u>	Educational Television	<u>LD</u>	Long Distance
<u>EXCH</u>	Exchange	<u>LPL</u>	Listed Under Primary Listing
<u>FCO</u>	Foreign Central Office	<u>LW</u>	Leased Wire
<u>FM</u>	Frequency Modulation	<u>LYP</u>	List in Yellow Pages
<u>FTW</u>	Federation of Telephone Workers	<u>MAG</u>	Magneto
<u>FW1</u>	Four Wire 1	<u>MAP</u>	Market Assignment Plan
<u>FX</u>	Foreign Exchange	<u>MC</u>	Main Classification (In Yellow Pages)
<u>HF</u>	High Frequency	<u>MDA</u>	Market Development Area
<u>HM</u>	Hang-up Monophone	<u>MDF</u>	Main Distributing Frame
<u>IDDD</u>	International Direct Distance Dialing	<u>MIL</u>	Mileage



Glossary - Telephone Abbreviations

<u>NO</u>	Number	<u>PT</u>	Program Transmission (Local)
<u>NO CHG</u>	No Charge	<u>PUB</u>	Public or Public Telephone Service
<u>NPA</u>	Numbering Plan Area	<u>R</u>	Residence Service
<u>NRC</u>	Nonrecurring Charge	<u>RC</u>	Radio Control Circuit
<u>OB</u>	Outdoor Booth	<u>RDI</u>	Rate Determination Inquiry
<u>ONI</u>	Operator Number Identification	<u>RO</u>	Routine Order
<u>OP</u>	Off-premises or Outside Plant	<u>RT</u>	Regular Type Listing
<u>OPX</u>	Off-premises Extension	<u>R/W</u>	Right of Way
<u>PABX</u>	Private Automatic Branch Exchange	<u>SAGE</u>	Semi-Automatic Ground Environment
<u>PAX</u>	Private Automatic Exchange	<u>SAL</u>	Study Area Location
<u>PB</u>	Party Business	<u>SATT</u>	Strowger Automatic Toll Ticketing
<u>PBX</u>	Private Branch Exchange	<u>SC</u>	Signal Circuit
<u>PCM</u>	Pulse Code Modulation	<u>SCC</u>	Service Connection Charge
<u>PL</u>	Primary Listing or Private Line	<u>SCHG</u>	Surcharge
<u>PN</u>	Program Transmission (Network IX)	<u>SCO</u>	Service Central Office
<u>PP</u>	Private Property	<u>SERV SEC</u>	Service Section
<u>PSRT</u>	Public Service Radio Terminal	<u>SO</u>	Service Order
		<u>SRN</u>	Siren Circuit





Glossary - Telephone Abbreviations

<u>SRO</u>	Special Repair Orders	<u>TR</u>	Traffic Recommendation or Trademark Regular Type Listing
<u>SS</u>	Suspension of Service		
<u>SSB</u>	Single Side Band	<u>TRF</u>	Transfer
<u>STN</u>	Station	<u>TS</u>	Toll Station
<u>SUB</u>	Subscriber	<u>TSO</u>	TWX Sales Order
<u>SR</u>	Service Representative	<u>TSPS</u>	Traffic Service Position System
<u>T&amp;C</u>	Time and Charges	<u>TT</u>	Teletype or Tie Trunk
<u>TAC</u>	Telephone Association of Canada	<u>TTRK</u>	Tie Trunk
<u>TACS</u>	Telephone Alarm Control System	<u>TTY</u>	Teletype or Tie Trunk
<u>TC</u>	Touch Calling	<u>TWX</u>	Teletypewriter Exchange Service
<u>TCTS</u>	Trans-Canada Telephone System	<u>U/G</u>	Underground
<u>TD</u>	Temporary Disconnection	<u>UHF</u>	Ultra-High Frequency
<u>TEOP</u>	Traffic Engineering Outline of Plan	<u>VC</u>	Verification Call
<u>TESAC</u>	Telephone Employees Social and Athletic Club	<u>VF</u>	Voice Frequency
		<u>VHF</u>	Very High Frequency
<u>TH</u>	Trademark Heading	<u>VID</u>	Video
<u>TFR</u>	TWX Facility Request	<u>VN</u>	Video Network
<u>TN</u>	Trade Name Listing	<u>VO</u>	Voice Operated
<u>TO</u>	Take Out	<u>VT</u>	Video, Local
<u>TP</u>	Telephoto		



Glossary - Telephone Abbreviations

<u>TVS-VU</u>	Video Pickup
<u>TVS-VS</u>	Video Transmission Service
<u>W</u>	Wall
<u>WATS</u>	Wide Area Telephone Service
<u>WO</u>	Work Order
<u>WP</u>	Wiring Plan or Weatherproof
<u>XL</u>	Extra Listing



BRITISH COLUMBIA TELEPHONE COMPANY

GLOSSARY - TELEPHONE TERMS

Acoustic Monophone

A telephone handset equipped with an adjustable volume control to amplify reception for hard-of-hearing users.

Airline Measurement

The shortest distance between two points.

Base Rate Area

The area within which individual and two-party main station exchange services are furnished at basic monthly rates without the application of exchange mileage charges.

Central Office

One or more central office units, at the same location, serving a common area.

Central Office Area

The area served by a single central office.

Central Office Unit

An assembly of equipment arranged for interconnecting customers' lines and trunks for providing telephone communication between customers in a given group, and for furnishing access for these customers to other such units and to the long distance facilities of the Company.



## Glossary - Telephone Terms

### Circuit

The name applied to a wire or pair of wires over which telephone service is furnished. The former is termed a "grounded" circuit and the latter, a "metallic" circuit.

### Circuit Measurement

The measurement upon which is based a charge for the use of part or all of a circuit furnished by the Company.

Coin Telephone - (See Public Telephone and Semi-Public Telephone.)

### Common Battery Service

The type of telephone service in connection with which energy for talking and signalling is supplied from a central point. Common battery service is usually recognized as that type of service by which a central office operator is signalled by moving the receiver switch on the customer's instrument, although common battery energy also is used in connection with automatic switching equipment.

### Connecting Company

A corporation, association, firm or individual owning and operating a toll line or one or more central offices with which traffic is interchanged.

### Consecutive Numbers

The telephone numbers assigned to the individual circuits of a circuit group, so arranged that although only the first or listed number is called, the call may be completed over the first nonbusy circuit in the group.





## Glossary - Telephone Terms

### Construction Charge

A charge billed to a customer based upon the cost of labor and material where unusual costs are involved in the establishment of the service.

### Directory Listing

A customer's name, address and telephone number published in the Company's telephone directory.

### Emergency Calls

Calls put through in any exchange in case of fire or accident or other emergency when assistance is quickly and urgently required.

### Emergency Service

Service supplied out of regular hours at exchanges where continuous service is not provided.

### Exchange

A basic unit for the administration of telephone service. An exchange services a community that normally has a city, town or village as its center and often includes outlying rural districts. Service is provided from one or more central offices.

### Exchange Area

One or more central office areas within which exchange rates apply.

### Exchange Service

The telephone service provided within an exchange area, including connection to the nearest toll switchboard.



## Glossary - Telephone Terms

### Exchange Station

A telephone station furnished under a contract for exchange service.

### Exchange Trunk

A circuit connecting a private branch exchange switchboard with a central office.

### Extended Area Service

Interexchange telephone service furnished between two or more exchange areas at flat or measured exchange service rates. The service may be introduced by the Company on a nonoptional basis subject to its acceptance by a majority of the customers involved under the extended area service plan.

### Extended Service Area

The area comprising one or more exchange areas, defined under an extended area service.

### Extension Bell

An auxiliary bell separate from the station bells, but connected to the same circuit and operated in conjunction therewith.

### Extension Circuit

A circuit connecting an extension station with a main station, or a private branch exchange station with a private branch exchange switchboard.



## Glossary - Telephone Terms

### Extension Line Mileage

The air line measurement of an extension circuit for which a charge is made.

### Extension Station

An additional station connected to the same circuit as the main station and subsidiary thereto.

### Flat Rate Service

A class of exchange service furnished to a customer for which a charge is made irrespective of the extent of use, as distinguished from measured rate service.

### Foreign Exchange Mileage

The air line measurement for the interexchange facilities required to provide foreign exchange service.

### Foreign Exchange Service

A flat rate message toll service. The subscriber is furnished with an individual line exchange telephone or PBX trunk from an exchange which does not normally serve the area in which the subscriber is located.

### Free Calling Area

An exchange area or a group of exchange areas wherein calls between stations are not subject to message toll charges.

### Individual Line Service

A class of exchange service which provides for only one main station per circuit.



## Glossary - Telephone Terms

### Inside Station

A private branch exchange station or extension station located on the same premises as the private branch exchange switchboard or main station to which it is connected.

### Installation Charge

A charge based on the cost of processing the order and the actual cost of labor and material involved in the installation of interior wiring and certain types of equipment.

### Jack

A fixed socket designed to permit the establishment of a telephone connection by means of a plug-ended cord.

### Key

A switch used for connecting or disconnecting a station, bell or circuit.

### Line

A name often used when referring to a wire or the pair of wires over which any type of telephone service is supplied.

### Local

A term sometimes used to denote a private branch exchange station.

### Locality Rate Area

A community located within an exchange area, but not included in the base rate area, where, because of its concentrated telephone development and the demand for urban grades of service, a commuted mileage charge applies in lieu of the regular exchange line mileage charge on individual and two-party line services.





## Glossary - Telephone Terms

### Magneto Service

The type of service which requires the use of a hand generator at the customer's station in order to signal the operator, and a local battery to provide the talking current.

### Main Station

A station directly connected with a central office by means of an individual or party line circuit. Also called Primary Service.

### Measured Rate Service

A class of exchange service which is charged for wholly or in part on the basis of extent of use, and for which a coin collecting device is not required.

### Metropolitan Area

A large community or group of communities served by one or more exchanges and/or central offices.

### Mileage

The measurement upon which is based a charge for the use of part or all of a circuit furnished by the Company.

### Mileage Center

The point in each central office area from which multi-party exchange mileage is measured and which is used in the calculation of extension line mileage charges.

### Miscellaneous Equipment

Auxiliary equipment furnished in addition and subsidiary to facilities provided in conjunction with primary exchange service.



## Glossary - Telephone Terms

### Multi-office Exchange

An exchange served by two or more central offices.

### Off-premises Station

A private branch exchange station or extension station located on premises separate from the private branch exchange switchboard or main station to which it is connected.

### Party-line Service

A class of exchange service which provides that more than one main station may be served by the same circuit.

### Portable Telephone

A telephone equipped with a plug-ended cord, providing a detachable connection with a line terminating in a jack or jacks.

### Private Branch Exchange System

An arrangement of equipment consisting of a group of telephone stations connected with a switchboard or other switching device providing for telephone communication between the stations. By means of trunks, communication is also provided with the central office.

The following classes are available:

#### Automatic System (PABX)

A private branch exchange system using a dial controlled switching unit to provide intercommunication and outgoing service, also equipped with an attendant's position for receiving and distributing incoming calls. The system is usually termed a private automatic branch exchange (PABX).

#### Cordless Switchboard System

A system employing a switchboard through which connections are made by means of keys.



## Glossary - Telephone Terms

### Cord Multiple Switchboard System

A system employing a switchboard through which connections are made by plug-ended cords, but having more than one appearance of trunk and station jacks.

### Cord Nonmultiple Switchboard System

A system employing a switchboard through which connections are made by plug-ended cords and having only one appearance of trunk and station jacks.

Circuits, equipment and facilities ordinarily furnished in connection with private branch exchange service include the following:

### Attendant Switchboard Position

A switchboard position required for the handling of incoming calls for a private automatic branch exchange.

### Attendant Trunk

A circuit connecting the mechanical switching equipment with the attendant position of a private automatic branch exchange.

### Private Branch Exchange Station

A station connected to a private branch exchange.

### Private Line

A voice grade circuit between two or more points.

### Public Telephone

An exchange telephone with coin collecting device (coin telephone) installed on the Company's initiative, or at the Company's option, at a location chosen or accepted as suitable and necessary for furnishing service to the general public.



## Glossary - Telephone Terms

### Rate Center

The point in each exchange from which distances are measured for the calculation of charges for interexchange services.

### Residence Service

Exchange telephone service installed in a private residence or private living quarters, and used only for the social or domestic affairs of the household.

### Restricted Service

A limited service furnished extension stations or private branch exchange stations providing intercommunicating service only.

### Route Measurement

The actual length of a circuit between two points.

### Semi-Public Telephone Station

A coin telephone installed with the approval of the Company in locations to which both the customer and general public have access, minimum daily receipts being guaranteed by the customer, who also is entitled to a directory listing.

### Service Connection Charge

A charge made to cover the clerical work incidental to the establishment of the service.

### Service Entrance

The cable or wire that enters the private property and building from the exchange cable feed to the main cross-connecting terminal within a building.





## Glossary - Telephone Terms

### Speakerphone

A telephone equipped with a microphone and control keys, used in conjunction with a loudspeaker and a power unit to provide a loudspeaking feature.

### Station Connection

The interior and exterior cable or wire, except the entrance circuits, located on private property.

### Station Jacks

The jacks on a private branch exchange switchboard for the connection of station circuits.

### Subscriber

An individual or entity contracting for any form of service furnished by the Company, generally referred to as our customers.

### Telephone Number

The seven-digit number assigned to a telephone station or private branch exchange system for convenience in operating. The first two digits identify the exchange, the third digit the central office within the exchange, the remaining four digits identify the particular customer's circuit or line within the central office of the exchange.

### Telephone Station

A telephone, consisting of a transmitter, receiver and associated apparatus which permits telephone conversations with other stations.



## Glossary - Telephone Terms

### Temporary Disconnection

A temporary or partial discontinuance of service without termination of contract.

### Tie Trunk

A circuit providing intercommunication between private branch exchanges of the same or separate subscribers, and over which central office service may be extended.

### Toll Terminal

A direct circuit from a customer's premises to the Company's long distance switchboard used solely for long distance connections.

### Touch Calling

Instead of the conventional rotary dial, the touch calling telephone has 12 push buttons that may be pressed in quick succession. Ten of the buttons are for the 10 digits and there are two extra buttons for future special requirements, such as data transmission or computer access.

### Transfer of Calls

An arrangement by which calls for one telephone number may be transferred to another specified telephone number for a stated period.

### Trunk

A circuit connecting a private branch exchange switchboard with a central office.

### Trunk Jacks

The jacks on a private branch exchange switchboard for the connection of exchange trunks.



## Glossary - Telephone Terms

### Wiring Plan

An arrangement of telephone equipment and wiring with which keys are provided, designed to meet the special needs of a subscriber.



BRITISH COLUMBIA TELEPHONE COMPANY

CUSTOMER COMMUNICATION SERVICES AND EQUIPMENT

TELEPHONE LINES

Business Individual Lines  
Business Measured Lines  
Outgoing Trunk Service  
Incoming Trunk Service  
Two-Way Trunk Service  
Individual Residence Lines  
Two-Party Residence Lines  
Multi-Party Residence Lines  
Multi-Party Business Lines  
Centrex Business Lines (custom)

STANDARD CUSTOMER  
EQUIPMENT AND SERVICES

Desk Phones  
Wall Phones  
Hang Up Telephones  
Starlite Telephones  
Panel Phones  
Styleline Phones  
Extension Telephones  
Portable Telephones  
Loudspeaking Telephones (2 types)  
Acoustic Telephones  
Colored Telephones in various  
decorator colors  
Privacy Arrangement (2 types)  
Switching and Control Keys (9 varieties)  
Multiline Cabinets (8 varieties)  
Busy Out Service  
Long Cords (3 sizes)  
Retractable Cords (2 sizes)  
Auxiliary Audible Signals  
    Buzzers  
    Gongs  
    Chimes  
    Bells  
    Howlers  
Auxiliary Visual Signals  
    Neon Lights  
    Lamp Signals (6 sizes)

STANDARD CUSTOMER  
EQUIPMENT AND SERVICES (cont'd)

Hard-of-Hearing Handset  
Automatic Dialing Units (2 types)  
Secretarial Answering Units (3 sizes)  
Automatic Answering Units  
Automatic Answering and Recording Units (4 models)  
Amplifying Hand Unit  
Multiline Telephones  
    Type 47  
    Type 85  
    Type 86  
    Type 87  
    Type 186  
    Type 187  
Multiline Adapters (6 sizes)  
Call Directors (2 sizes)  
Consecutive Number Service  
Overline Billing  
Transfer of Calls  
Vacation Service  
Directory Assistance Service  
Repair Service

COIN TELEPHONES

Outdoor Public Service  
Indoor Public Service  
Semi-Public Service  
Ship-to-Shore Public Service

LONG DISTANCE

Credit Cards  
Call Collect  
Zenith Service (3 options)  
Conference Calling  
Toll Terminal Service  
Full Time WATS - to dialable  
points





## CUSTOMER COMMUNICATION SERVICES AND EQUIPMENT

### LONG DISTANCE (cont'd)

Measured WATS - to dialable points  
Special Billing  
Station-to-Station Service  
Person-to-Person Service  
Direct Distance Dialing (DDD)  
Automatic Number Identification (ANI)  
Third Number Billing  
Long Distance Gift Plan Service  
Intratel

### SWITCHBOARDS

Manual Switchboards  
Type 551 - 4 sizes available  
Type 555 - 3 sizes available  
Cordless - 3 sizes available  
Automatic Switchboards  
Type 19 - B - 5  
Type 22X  
Type 40  
Type 80  
Type 90 - B - 20  
Type 75 (custom built to meet requirements)  
Type 300 Series (several sizes)  
Locals on Switchboards  
Standard Locals  
Restricted Locals (2 types)  
Off Premises Locals  
Extension Locals  
Auxiliary Services Available on most Automatic Switchboards:  
Headsets (various models)  
Code Call (3 sizes)  
Busy Lamp Cabinets  
P.A. Cut-in  
Toll Restrictors  
Trunk Busy Out Feature  
Predetermined Night Answering  
Station Overlining

### SWITCHBOARDS (cont'd)

Divided Trunking  
Automatic Answering Circuits  
Background Music on Incoming Held Calls  
Executive Quick Call  
Dictation Recording Links  
Conference Service Manual  
Conference Service Automatic

### HOTEL/MOTEL SERVICES

Switchboards Manual  
Type 555  
Type 551  
Switchboards Automatic  
Type 40M  
Type 80M  
Type 320 (customer built to meet requirements)  
Auxiliary Services Available on most Automatic Boards:  
Message Waiting  
Message Waiting Telephones  
Maid Minder  
Toll Trunks  
Wake-up Service  
Random Restriction  
Message Register  
Toll Restriction

### DIRECTORY SERVICE

Residential Extra Listings  
Business Extra Listings  
Yellow Page Listings (business)  
Yellow Page Display Ads  
Nonpublished Listings  
Nonposted Listings  
Joint User Service



## CUSTOMER COMMUNICATION SERVICES AND EQUIPMENT

### INTERCOM

Buzzer Systems  
Dial Selective Intercom (3 sizes)  
Magnaphone  
Ring Master  
Automatic Point to Point  
Enterphone

### PAGING SERVICES

Enclosed Speakers (9 types)  
Horn Speakers (6 types)  
Amplifiers (2 sizes)  
Microphones (2 models)  
Answer Back Feature  
Area Selection (4 types)  
P.A. Cut-in - Automatic  
P.A. Cut-in - Manual

### FOREIGN EXCHANGE

Inter-City Exchange Service  
Tie Trunk Service  
Foreign Central Office Service

### PRIVATE LINE SERVICE

Full Period Inter-City Service  
Full Period Intra-Exchange Service  
Tie Line Service  
Automatic Signalling

### TELETYPE

Manual Units (4 types)  
Automatic Units (4 types)  
Switching Equipment (4 models)  
High-speed Service  
Tape Send and Receive Units

### TWX

Manual TWX Service  
Automatic TWX Service  
TWX Conference Service  
Collect Call Service

### DATA

Dataspeed Transmitter (2 models)  
Dataspeed Receiver (2 models)  
Data Subsets (11 models)  
Phone Fax Transmitter  
Phone Fax Receiver  
Dataline I, II, and III Services  
Datacom  
M. S. D. S. (Message Switching  
Data Service)  
Datapak

### LEASED CIRCUIT FACILITIES for:

Off Premises Extensions  
Off Premises Locals  
Facsimile  
Transceiver  
Telegraph  
Telephoto  
Wirephoto  
Wired Music  
Signal Circuits  
Closed Circuit TV  
Program Transmission  
Radio and TV Broadcast  
Private Lines  
Foreign Exchange and Tie Trunks  
Telemetry Circuits  
Dataphone  
Personal Broadcast Networks  
Electrowriter  
Telpak (3 sizes)  
Control Circuits  
Teletype  
Data (4 types)



## CUSTOMER COMMUNICATION SERVICES AND EQUIPMENT

### RADIOTELEPHONE

- Mobile Service (over 60 options)
- Radio Toll Station Service (10 options)
- Private Radio Systems (custom built to meet requirements)
- Direct Dispatch Service (2 options)
- Ship-to-Shore Service
- Radio Paging Services
- Radio Whistles
- Portable Radio Service
- Auxiliary Equipment for most Radiotelephones
- Selective Signalling
- Remote Control Units
- Repeater (6 models)
- Antennas (over 20 varieties)
- City-Wide Pocket Paging Service

### TELEVISION

- National Broadcast Service
- Local Broadcast Service
- Closed Circuit Industrial Television
- Closed Circuit Security Television
- Switching and Selection Service
- TV Cameras (48 options)
- TV Monitors (14 options)
- Transmission Facilities for Educational TV

### SPECIALIZED CUSTOMER EQUIPMENT AND SERVICES

- Telephone Service for Trains
- Telephone Service for Ships
- Transmitter Cut-out Service
- Weatherproof Housings
- Portable Amplifying Service
- Voice Recorder Connector Units
- Electronic Sentries
- Electrowriters
- Artificial Larynx (2 options)
- Monitoring Cabinets
- Recorder Connectors
- Recorder Couplers
- Alarm Couplers



CUSTOMER COMMUNICATION SERVICES AND EQUIPMENT

SPECIALIZED CUSTOMER EQUIPMENT AND SERVICES (cont'd)

Restaurant Order Systems  
Voice Recorder Starter  
Headset/Dial Assembly  
Watchman Services  
Quotation Broadcast Service - Brokers  
Annunciator Systems (2 sizes)  
Concentrator Identifier Service  
Call Answering Switchboards  
Automatic Time Announcing  
Incoming Metered Service  
Emergency Alerting  
Emergency Reporting  
Volunteer Emergency Systems  
Facilities and Equipment to provide:  
    Time of Day  
    Dial a Prayer  
    Market Reports.(TV or voice)  
    Weather Bulletins  
Facilities for Community Antenna Systems  
Automatic Call Distribution (2 sizes)  
Centrex Service (custom built to meet requirements)  
Order Turret Service  
Key Conference Service





BRITISH COLUMBIA TELEPHONE COMPANY

TELEPHONE NUMBER DIRECTORY

<u>Executive</u>	<u>Business</u>	<u>Home</u>
President - J. Ernest Richardson	662-8122	261-2345
Vice-President - Staff (Operations) - G. F. Auchinleck	662-8595	
General Counsel & Secretary - R. J. Bouwman	662-8013	263-3377
Vice-President - Personnel & Industrial Relations - J. H. Bruce	662-8711	926-1400
Vice-President - Finance - J. C. Carlile	662-0465	988-1000
Vice-President - Operations - T. F. Heenan	662-8771	266-2755
Vice-President - Corp. Develop. - G. F. MacFarlane	662-8611	922-7666
Comptroller - D. B. McNeil	662-8020	244-9352
Director of Marketing & Sales - R. H. Stevens	662-8181	261-0702
Treasurer - A. W. Vaughan	662-8126	261-6979
General Operations Manager - D. C. Watt	662-8120	921-9000
<u>Public Relations - Vancouver</u>		
Director - J. A. MacInnes	662-8101	987-1400
Public Information Manager - C. G. Patterson	662-8698	687-2323
Community Relations Manager - W. B. Chapman	662-8063	929-4000
Advertising Manager - B. W. Holliday	662-8064	261-1722
<u>Public Relations - Victoria</u>		
O. G. Jones (Island Division)	386-8995	477-1292
<u>Public Relations - Prince George</u>		
K. Horodyski (Northern Division)	563-1437	964-6430
<u>Public Relations - Kamloops</u>		
P. D. Harvey (Interior Division)	374-4286	374-1989
<u>Personnel</u>		
Director of Industrial Relations - J. B. Lidster	662-8193	922-5500
<u>Supply, Transportation &amp; Buildings Director</u>		
E. P. LaBelle	526-8611	683-3636



## TELEPHONE NUMBER DIRECTORY

<u>Coastal Division</u> (all Vancouver)	<u>Business</u>	<u>Home</u>
Manager - G. C. MacDonald	662-8027	987-6690
District Customer Service Managers -		
Vancouver No. 1 - C. L. Bennie	662-8032	298-1900
Vancouver No. 2 & North Shore -	(662-0595	
G. A. Mitchell	(872-2432	263-4400
New Westminster & Fraser Valley -		
S. R. Hartney	522-1277	988-5678
<u>Island Division</u>		
Manager - G. M. Smith (Victoria)	386-8991	383-5454
Division Customer Service Manager -		
R. C. Simpson	386-8717	477-5566
Victoria District Customer Service Manager -		
L. A. Huxtable	386-8941	477-1621
Nanaimo District Customer Service Manager -		
J. N. Stewart	753-3120	758-2230
Campbell River District Customer Service		
Manager - R. V. Ostler	287-3324	287-7100
<u>Interior Division</u>		
Manager - G. K. Stenner (Kamloops)	374-4212	372-8000
Kamloops District Manager - D. A. Smith	374-4233	372-2100
West Kootenay District Manager -		
D. S. Knight (Nelson)	352-9221	352-5100
East Kootenay District Manager -		
N. F. Wilson (Cranbrook)	426-4848	426-2434
<u>Northern Division</u>		
Manager - C. R. Swabey (Prince George)	563-1434	563-1100
Prince George District Manager - F. G. McGee	563-1454	564-6861
Terrace District Manager - S. G. Patterson	635-5011	635-3044
Peace River District Manager - R. Johnston	782-3545	782-7000
O'Brien Consultants Ltd. (Vancouver)	681-9174	
Jim Peacock	681-9174	936-4524







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768 Seymour St., Vancouver, B.C., Canada

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## BRITISH COLUMBIA TELEPHONE COMPANY

Quarterly Report to Shareholders  
for the period ended June 30, 1971



## TO OUR SHAREHOLDERS:

**EARNINGS:** While gross operating revenues climbed to their highest point ever, operating expenses and interest charges rose at an even faster rate with the result that ordinary share earnings and return on average capital invested in the consolidated operations of British Columbia Telephone Company for the first half of 1971 were both lower than for the same period in 1970.

Return on average invested capital was 3.22% compared with 3.37% and earnings per share were \$1.83 compared with \$2.29 in 1970.

Gross revenues amounted to \$93,502,000, an increase of 10.7% over the same period last year. This increase is made up of an increase in long distance revenues of 14.4% while local service revenues, reflecting the slower growth in total telephones, increased 6.2%.

Operating expenses, including depreciation and taxes, totalled \$76,057,000, an increase of 11.7%.

Income available for interest and other deductions amounted to \$18,095,000 compared with \$17,120,000 for the first six months of 1970. Interest and other deductions for the period were \$10,646,000, substantially higher than the \$8,345,000 recorded in 1970. This increase results from added borrowings to finance plant additions as well as continuing historically high interest rates. The maturity on March 1, 1971 of the Series A to D First Mortgage Bonds carrying an interest cost of 3.87% and their replacement with Bonds costing a little over 8¼% was also a major contributing factor to this increase.

After providing for dividends on preference and preferred shares, earnings available for ordinary shares amounted to \$5,253,000 compared with \$6,579,000 in the first half of 1970.

The repeal of the 3% surtax on corporate income taxes announced in the federal budget to be effective from July 1, 1971, was the only item in the budget to have any material effect on the Company. The repeal of this surtax is expected to reduce taxes by about \$350,000 in 1971 and \$700,000 in 1972.

**SERVICE DEVELOPMENT:** At June 30, 1971 total telephones in service were 1,061,308. The gain for the six month period was 21,133 for the area served by the Company and 2,491 for the area served by the Okanagan Telephone Company. The respective gains for the same period of 1970 were 26,997 and 2,105.

Expenditures on gross additions to plant amounted to \$54,836,000 compared with \$47,458,000 in 1970 as the requirements to meet the demands for service and for higher grades of service remain high.

**FINANCING:** The Directors have approved an application to the Canadian Transport Commission for approval of an issue of shares. It is expected that the application will be heard at a Public Hearing to be held in the latter part of August. The type of financing to be undertaken will be announced following a detailed study of the decision, dated July 30, 1971, of the Canadian Transport Commission regarding the Company's application for increased rates.

**REGULATION:** As previously reported, the decreasing trend in earnings which became definitely apparent in the last quarter of 1970 brought about an application by the Company to the Canadian Transport Commission for approval of new rates which were estimated to increase revenues by \$17,098,000 in the full year 1972.

A Public Hearing was held in Vancouver by the Railway Transport Committee of the Canadian Transport Commission between June 7 and 23, 1971 and the results of that hearing were released on July 30, 1971.

The rates granted are estimated to produce additional revenues of \$9,400,000 in the year 1972.

The Commissioners recognized the necessity of restoring the confidence of investors in the debt and equity securities of the Company and felt that the increase granted was sufficient to produce, by 1972, marked improvement over 1970 results.

With the implementation, on September 1, 1971, of the new rates approved by the Committee, it is expected that earnings per average ordinary share in 1971 will show a modest increase over the \$5.10 earned in 1970 and will possibly approach the 1969 level of \$5.28. While still being studied, per share earnings in 1972, with the new rates in effect for a full year, should show an improvement approaching 10% over 1971.

These earnings are less than applied for and it will be necessary to re-assess our operating and capital budgets for the years 1971 and 1972. Every economy will be exercised without impairing service. We emphasize our responsibility to maintain the Company in a sound and healthy financial position and provide the type and quality of communications so necessary in a dynamic province like British Columbia.



*President and Chief Executive Officer*

Vancouver, B.C.  
August 6, 1971

## BRITISH COLUMBIA TELEPHONE COMPANY

**CONSOLIDATED STATEMENT OF EARNINGS**

(Subject to audit and year-end adjustment)

	<i>Six Months Ended June 30</i>		<i>Twelve Months Ended June 30</i>	
	<b>1971</b>	<b>1970</b>	<b>1971</b>	<b>1970</b>
	Thousands of Dollars		Thousands of Dollars	
Operating revenues .....	\$93,502	\$84,448	\$183,924	\$166,562
Operating expenses .....	69,642	60,232	132,066	114,729
Net operating earnings before Income taxes .....	23,860	24,216	51,858	51,833
Other income .....	650	789	1,373	1,432
	24,510	25,005	53,231	53,265
Interest and other deductions .....	10,646	8,345	19,988	15,928
Net earnings before income taxes .....	13,864	16,660	33,243	37,337
Income taxes .....	6,415	7,885	15,518	17,945
Net earnings .....	7,449	8,775	17,725	19,392
Dividends on preference and preferred shares .....	2,196	2,196	4,391	4,391
Net earnings available for ordinary shares .....	\$ 5,253	\$ 6,579	\$ 13,334	\$ 15,001
Earnings per average ordinary share outstanding during period .....	\$1.83	\$2.29	\$4.63	\$5.21

BRITISH COLUMBIA TELEPHONE COMPANY

**CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS**

(Subject to audit and year-end adjustment)

	<i>Six Months Ended June 30</i>	
	<b>1971</b>	<b>1970</b>
	Thousands of Dollars	
<b>SOURCE OF FUNDS</b>		
From Operations		
Net earnings .....	\$ 7,449	\$ 8,775
Add back expenses not requiring an outlay of funds		
Depreciation .....	18,827	16,850
Income taxes deferred .....	5,212	4,720
Other .....	423	344
	<u>31,911</u>	<u>30,689</u>
Financing proceeds		
Long-term debt .....	34,407	29,432
Increase in short-term notes .....	22,516	(7,021)
Decrease in working capital .....	9,051	1,728
	<u>\$97,885</u>	<u>\$54,828</u>
<b>APPLICATION OF FUNDS</b>		
Gross plant additions .....	\$54,836	\$47,459
Less — Salvage value of plant retired .....	1,571	1,007
	<u>53,265</u>	<u>46,452</u>
Retirement of Series A to D First Mortgage Bonds .....	35,500	—
Dividends — preference and preferred shares .....	2,196	2,196
ordinary shares .....	4,603	4,316
Miscellaneous .....	2,321	1,864
	<u>\$97,885</u>	<u>\$54,828</u>

Feb

# British Columbia Telephone Company 1971 Annual Report

## Head Office

768 Seymour Street, Vancouver 2, B.C., Canada

## Transfer Agent and Registrar

Montreal Trust Company

## Annual General Meeting

The Annual General Meeting of the Shareholders of the Company will be held on Thursday, March 9, 1972, at 11:00 a.m. in the Board Room of the Hotel Vancouver, Vancouver, British Columbia, Canada.

# 80th Annual Report

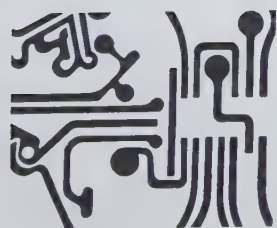
## British Columbia Telephone Company

Incorporated by Special Act of the Parliament of Canada, April 12, 1916



### The Report at a Glance

FINANCIAL	1971	1970
Operating revenues .....	\$199,892,000	\$174,870,000
Operating expenses .....	\$158,612,000	\$139,644,000
Earnings before interest and other deductions .....	\$ 42,703,000	\$ 36,739,000
Average invested capital .....	\$578,959,000	\$523,325,000
Return on average invested capital .....	7.38%	7.02%
Ordinary share earnings .....	\$ 16,024,000	\$ 14,661,000
Earnings per average ordinary share .....	\$ 5.40	\$ 5.10
Dividends declared per ordinary share .....	\$ 3.20	\$ 3.05
Equity per ordinary share .....	\$ 57.52	\$ 55.48
Gross plant additions .....	\$113,106,000	\$ 95,111,000
OTHER		
Telephones in service .....	1,099,791	1,037,684
Telephone gain for the year .....	62,107	62,861
Average ordinary shares outstanding .....	2,966,906	2,877,000
Number of employees .....	10,274	9,636





## Directors

Harry M. Boyce  
Chairman  
Yorkshire Financial Corporation Limited  
Vancouver, B.C.

James J. Clerkin, Jr.  
Executive Vice-President – Telephone Operations  
General Telephone & Electronics Corporation  
New York, N.Y.

Theodore S. Gary  
Company Director  
Miami Beach, Florida

Gerald H. D. Hobbs  
Chairman  
Western Canada Steel Ltd.  
Vancouver, B.C.

Allan M. McGavin  
President  
McGavin ToastMaster Limited  
Vancouver, B.C.

Victor F. MacLean  
President  
Kelly, Douglas & Company, Limited  
Vancouver, B.C.

John A. McMahon  
Chairman and President  
Inland Natural Gas Co. Ltd.  
Vancouver, B.C.

Winfield S. Pipes  
Company Director  
Vancouver, B.C.

Donald C. Power  
Company Director  
Galloway, Ohio

J. Ernest Richardson  
Chairman, President and Chief Executive Officer  
British Columbia Telephone Company  
Vancouver, B.C.

Richard B. Wilson  
Company Director  
Victoria, B.C.

## Officers

J. Ernest Richardson  
Chairman, President and Chief Executive Officer

Gilbert F. Auchinleck  
Vice-President – Staff (Operations)

John H. Bruce  
Vice-President – Personnel and Industrial Relations

Terence F. Heenan  
Vice-President – Operations

Gordon F. MacFarlane  
Vice-President – Corporate Development

D. Barry McNeil  
Vice-President – Comptroller

Roland J. Bouwman  
General Counsel and Secretary

Aubrey W. Vaughan  
Treasurer

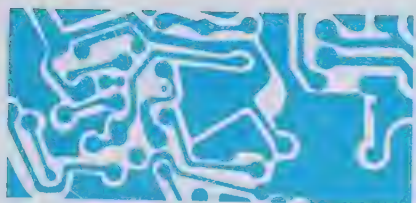
Darell Campbell  
Assistant Secretary and Assistant Treasurer

J. Neil Stewart  
Assistant Treasurer









## Report of Directors

The realization of the great growth potential of British Columbia quickened during the second half of 1971, helping to bolster our results for the year and providing positive signs for a healthy and challenging year ahead.

The upward trend of the latter part of the year was quite evident in our Company, with perhaps one of the most illustrative examples found in the pattern of increase in the number of telephones served by our network throughout the Province. At midyear, the net gain equalled only 81% of that realized in the same period a year earlier. But the upsurge in orders during the third and fourth quarters exceeded that of the last six months in 1970 and brought the increase for the year to 62,107 — or nearly 99% of the net gain of 62,861 realized during 1970. More rapid growth in use of toll services during the second half also contributed to an increase for the year of 14% in toll-calling volume, compared with 1970's gain of 11%.



J. Ernest Richardson

We know from experience that these factors reflect quite directly the pace of business and industrial activity, growth in the number of people employed and the money they have to spend, and the confidence businesses and individuals have in the future. As a major enterprise providing vital services to virtually all of this rich Province, our own confidence in the future is greater than ever, both for the long and the short term.

That is not to say, of course, that as a Company we do not face continuing competition and challenge. We do. At the same time, however, we see in this challenge continuing opportunity for sound growth from which our customers, employees and shareholders all will benefit appropriately. Part of this challenge, of this opportunity — and of the stimulation of the quickening pace of the economic pulse of British Columbia — is the very evident need for our Company to continue expanding and improving its plant to meet new customer service requirements.

#### A RECORD PACE

Such expansion and improvement proceeded at a record pace in 1971, with gross investment in plant additions totalling \$113,106,000. Our plan for 1972 capital construction calls for investment of \$131,000,000 to assure the provision to British Columbians of the high standards of service they have a right to expect. Like any other service organization, we are never able to do all that we would like at the one time. This outlay, however, will enable us to meet and improve customer services, always keeping in mind compelling priorities.

The consolidated financial statements which form part of this report show that the decline in earnings the Company experienced during the last quarter of 1970 and the first half of 1971 has been turned around. The general economic activity

already mentioned has had an impact in this regard and will have further positive impact during 1972. Other factors from the events of 1971 helped in the Company's financial results for the year and will have impact, too, upon the results during the year ahead.

Consolidated earnings amounted to \$5.40 per average Ordinary Share outstanding during 1971, compared with \$5.10 in 1970 and \$5.28 in 1969. Reflected directly in the results for the year under review and with clear implications for 1972 improvement are two events of 1971: one, the first general increase in more than 12 years in telephone rates for subscribers in the B.C. Telephone system became effective September 1, 1971, and two, the reduction in income taxes levied by the Federal Government.

B.C. Telephone filed an application in February, 1971, for approval of new rate schedules. Increases in costs since the previous rate schedule went into effect January 1, 1959, were outstripping the Company's ability to meet them from revenues generated by growth alone. The Canadian Transport Commission, which regulates the Company, held public hearings into the application and, following 13 sitting days in June, brought down its judgment at the end of July.

The Commissioners recognized the need for rate changes to help restore the confidence of investors in the debt and equity securities of the Company. Approval of the Commission was granted for increased rates in B.C. Telephone's service area, the adjustments authorized expected to produce an estimated \$9,400,000 in additional revenues during the full year of 1972. The rate schedules requested by the Company, it was estimated, would have increased revenues by \$17,089,000 in the year 1972.

Subsequent to the Transport Commission decision, the Okanagan Telephone Company sought approval from the Public



Utilities Commission of British Columbia for rate adjustments that would provide essentially the same rates as those of its parent, B.C. Telephone. The new rate schedule, as approved by the Commission, became effective in the Okanagan system November 1, 1971.

#### TAX CHANGES MADE

The Federal Government's removal, effective July 1, 1971, of its 3% income tax surtax and its subsequent reduction of 7% in corporate income taxes for the second half of the year not only reduced our tax expense but gave added stimulation to the economic vitality displayed during the last six months of the year. All of these elements, together with economies we achieved in operations and improvement in our uncollectible revenue picture resulting from stiffened practices in collection of overdue accounts, contributed to the financial results achieved.

The Company carried out the largest amount of financing it has ever undertaken in a single year, successfully raising \$70,000,000 through First Mortgage Bond issues and \$20,000,000 through a rights offering of Ordinary Shares. Details of these issues are outlined more fully in our Financial Report. It should be noted, however, that about half of the new First Mortgage borrowings were required to replace \$35,500,000 in debt which reached maturity during the year. The latter carried an average interest rate of about 3.9% while the new funds were raised at rates ranging from 7½ % to 8¼ %, with the lower interest figure involved in the issue of November. Conditions early in 1972 indicated this moderation in interest rates would prevail at least for a part of the year and this can only be beneficial to the Company as it moves forward with British Columbia. The equity issue's success was of significance, too, since our debt-equity ratio has reached the high end of what we feel is prudent to retain the most desirable flexibility for efficient raising of new capital. At year end, the ratio was 54% debt, 46% equity.

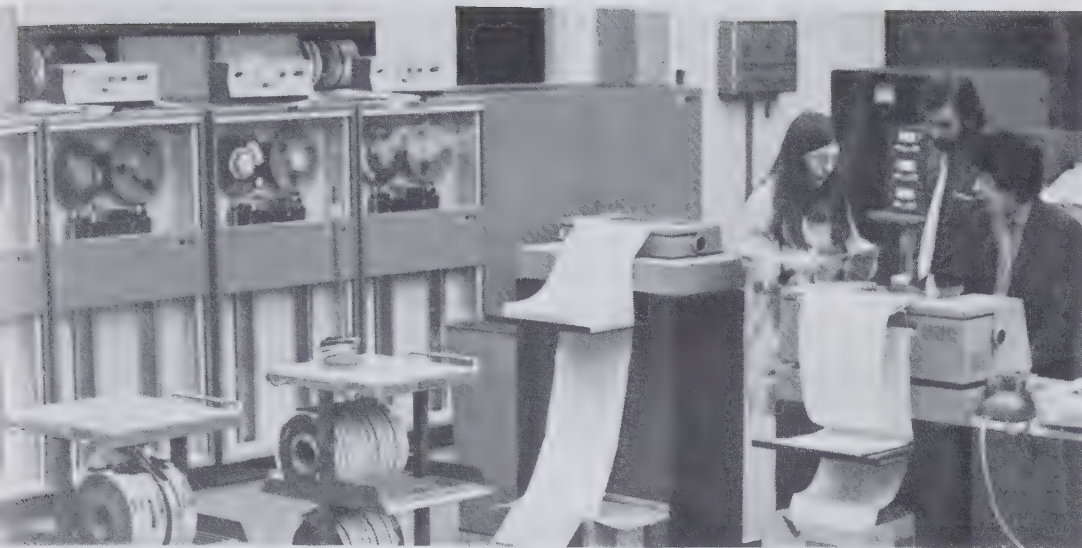


Underground conduit and cable help improve service and the appearance of communities throughout British Columbia.

#### IMPROVEMENT EXPECTED

The increasing confidence in the future being shown by many leaders of government and business, both in Canada as a whole and in British Columbia itself, gives strength to our view that further improvement can be expected in our corporate results in 1972. We remain very much aware that only an enterprise which is able to earn a fair and reasonable profit can provide good and improving service to its customers. Review of our construction and operational projections was made in light of the rate application decision and some adjustments in priorities have taken place. In each case the emphasis has been upon our responsibility to provide the type and quality of communications services so necessary in a dynamic province such as British Columbia and upon the need





Management Information Services occupied new premises equipped with latest generation computers.

New district headquarters building in Prince George will be ready for occupancy later this year.



for adequate earnings to assure we can meet that responsibility in the most efficient way possible.

These steps have led to deferrals of a number of carefully selected capital construction projects which, while desirable to achieve improvements from an operational point of view and to enhance our ability to meet the wishes of our customers, will not impair our ability to provide good service and to fill the telecommunications needs of British Columbians. These deferrals meant our actual capital construction outlay during 1971 was approximately \$3,900,000 below the figure projected in last year's Annual Report and our projected expenditures for 1972 are about \$7,000,000 lower than was forecast a year ago.

In our operations, we continue to be highly alert to the need for a competitive attitude among all of our people and this is reflected in our training programs and plans and in our results. The success of our continuing search for innovation, new ideas and better methods was evidenced again in 1971, when substantial savings were achieved by our people in increasing the efficiency of handling long distance calls and by the previously mentioned success in collection of overdue accounts.

Among other things with which the Company was involved and concerned during 1971 were the continuing and proposed changes in legislation and regulation. New legislation was implemented or proposed in the fields of taxation, labor relations, consumer protection, business development and our own field of telecommunications. These events require increasing attention and involvement by the Company to assure that the realities of our business are made clear and are considered in the formulation of national policies which may have enormous implications. That attention is being given in each of these areas by the Company's management, which also participated fully during 1971 in the Federal Department of Communications' task-force study of computers and communications.

## A GREAT CONTRIBUTION

This report would not be complete without acknowledgment of the great contribution made to the growth and development of the British Columbia Telephone Company by Cyrus H. McLean. At the 1971 Annual Meeting of Shareholders, Mr. McLean retired as a Director and as Chairman of the Board of the Company after a career spanning 57 years, including five as B.C. Telephone's President and Chief Executive Officer and eight years as its Chairman.

It should be noted here that the Board of Management of the Trans-Canada Telephone System, during the latter half of 1971, elected Jack C. Carlile as the system's first full-time President. Prior to this, Mr. Carlile was Vice-President — Finance, B.C. Telephone, a post he held from January 1, 1966.

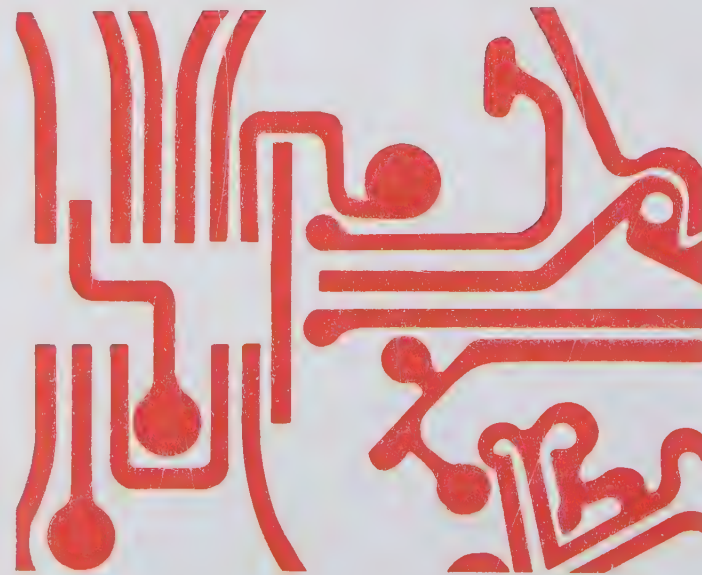
On behalf of the Board of Directors, I take this opportunity to express thanks to our employees and to our investors for the continued support they have given; support without which the enterprise could not fulfil its obligations.

On behalf of the Board of Directors



President and Chief Executive Officer

February 14, 1972



Lineman works on Lions Gate Bridge high above Burrard Inlet to prepare for installation of 900-pair trunk cable between the North Shore and downtown Vancouver.













## We grow together

Commercial and industrial development in British Columbia are reflected in the pace of telephone expansion. Picture on previous page shows three projects in downtown Vancouver, all of which require major telephone installations: The Royal Centre is visible to the right, in foreground work is underway on the third tower in the Bentall Centre and on the waterfront the first phase of Project 200 stands against a backdrop of sea and ships. Photo above shows the Island

Copper Mine development at Port Hardy, which spurred investment of more than \$1 million in telephone facilities for Port Hardy in 1971. Projects such as these, together with the residential development that accompanies economic expansion, strongly influence our Company's capital construction programs each year. Approximately 80 per cent of our capital budget goes for new construction, with the balance being spent to replace worn-out and obsolete equipment.





Careful co-ordination of effort resulted in smooth transition when new toll-switching equipment was placed in service in Vancouver last April.



## Review of Operations

Our consolidated system was expanded and improved at a record-setting pace in 1971. Capital additions totalled \$113,106,000 as we grew to meet increasing demands for long distance facilities, increased numbers of phones connected, higher volumes of calling and new needs created by business and industrial developments throughout the province. This total was 19% greater than that of 1970.

The program enabled us to meet virtually all current demands for service during the year and to extend our facilities so that surges in demand for telecommunications service can be met promptly and economically without need for expensive improvisation.

Similar objectives are entailed in our plans for construction during 1972, which call for a budget of \$131,000,000, including \$7,300,000 for expansion and improvement of facilities in the area served by our subsidiary, Okanagan Telephone Company. Approximately 80% of the total investment in plant during 1972 will be spent to meet anticipated growth in service requirements. The balance is for upgrading of existing facilities and replacement of worn-out plant.

The projected 1972 capital spending will provide for increases in local switching capacity required for an anticipated net gain of nearly 65,000 telephones during the year and for increased use. It also will permit considerable expansion and improvement of long distance facilities. To the degree possible within the practical limitations already indicated by conditions outlined in the Report of Directors, we also will be installing facilities to enable us to provide higher grades of service to many party-line subscribers and we will continue placing substantial amounts of our plant underground.

The allocation of our capital construction expenditures during

1971 by Division and subsidiary is shown in the following table, together with the net gain in telephones connected. The year-end total of phones connected was 6.0% higher than at December 31, 1970. The volume of completed toll calls originating in our system in 1971 was 14% greater than in the previous year, reaching nearly 50 million.

### TELEPHONES IN SERVICE

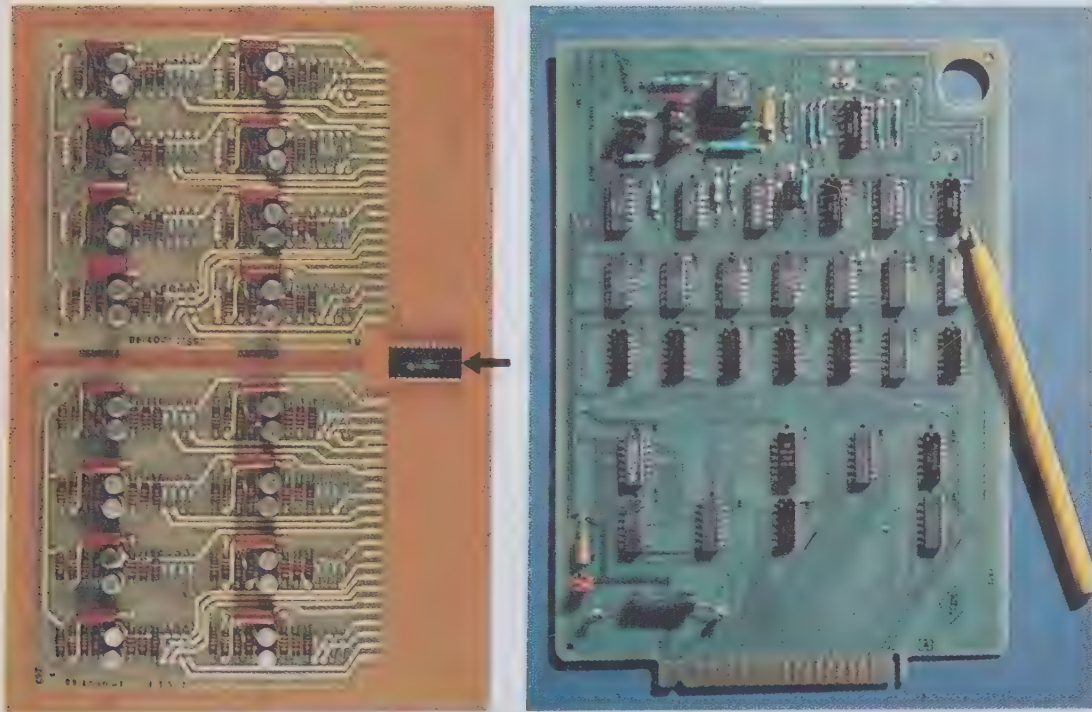
	December 31 1971	Increase 1971	% Increase	Capital Expenditures 1971 (000's)
Coastal	658,901	32,212	5.1	\$ 62,480
Island	202,044	10,443	5.5	17,871
Interior	102,229	7,936	8.4	14,849
Northern	76,075	6,155	8.8	11,551
Totals	1,039,249	56,746	5.8	106,751
Okanagan	60,542	5,361	9.7	6,355
Totals	1,099,791	62,107	6.0	\$113,106

A significant addition to the B.C. Telephone system in 1971 was a new, electronically-controlled toll switching machine installed in Vancouver and placed in service in mid-April, marking the climax of a project which began three years earlier and cost \$8,000,000.

The installation job affected every long-distance centre in the province making it the largest single network change in the Company's history. It resulted in an immediate and substantial increase in available long-distance circuits, plus improved operating efficiency.

The machine, together with a computer-like companion facility called an electronic translator, collects long-distance calls from all 18 B.C. toll centres and channels them into the North





Our cover and the illustrations appearing throughout this report represent stylized versions of integrated circuits used in modern telephone equipment. Photos above show an actual integrated circuit placed atop a penny; an integrated circuit beside the two boards of conventional circuitry that it replaces; a circuit board employing several integrated circuits, shown in relation to a pen; and an integrated circuit board employed in the latest Pulse Code Modulation transmission equipment used by B.C. Tel to increase the amount of telephone traffic that can be carried on existing cables.







Elegant cradlephones and handsome chestphones make up B.C. Tel's popular new line of decorator telephones. Top: the Grecian Cameo model. Centre: a leather-covered chestphone. Bottom: the Antique White cradlephone.



American long-distance network for rapid completion. The translator's ability to operate in millionths of a second ranks the system among the most modern toll-switching installations in Canada.

The machine was installed with 2,450 trunk circuits and, by year's end, 208 new trunk circuits had been added. Plans call for connection of an additional 1,754 trunk circuits by early 1973. Its ultimate capacity is 16,000 incoming trunks.

#### ELECTRONICS AT WORK

Another milestone in the development of telecommunications in British Columbia was marked in May when the first electronically-controlled telephone exchange in the B.C. Telephone system was placed in service in the new coal-mining community of Sparwood in the East Kootenay area of the Interior Division.

Following the Sparwood installation, exchanges with electronic control features were also placed in service at Winfield in the Okanagan, at Port Hardy on northern Vancouver Island, at Lantzville in the Nanaimo area of Vancouver Island, and at Houston and Mackenzie in the Prince George District. A further installation is planned during 1972 at Lakeview in the Kelowna area in the Okanagan Telephone Company's system.

Other expansion and growth projects during 1971 included installation of a 400-line portable office at Chetwynd, in the Peace River District, and installation of 200-line portable offices to replace smaller units at Tahsis and Beaver Cove in the Campbell River District, at Kitsault in the Terrace District, at Bridge Lake in the Kamloops District and on the Pender Islands. Automatic service was also extended from the Lillooet office to Pavilion.

In the Okanagan, major additions to central office switching capacity were made at Kelowna, Penticton, Vernon and Rutland. Substantial emphasis was also placed on the use of underground cable and conduit in these popular tourism centres, with \$915,000 spent for buried facilities.





The number of men and women employed by B.C. Telephone and its subsidiary, Okanagan Telephone, grew to 10,274 during 1971. This represents an increase of 638. The work done by many of these employees involves contact with the public by telephone or in person. Others work behind the scenes. The picture sequence on these pages depicts some of the many steps involved in the service function most often provided by our Company: the installation of a telephone.





1. Order is received and recorded by service representative.
2. Information concerning the order is transmitted to various departments via teleprinter.
3. Central office employee makes office wiring connections necessary for the requested installation.

4. Dispatcher checks with installer to ensure that installation will be completed on promised date.
5. Information concerning the installation is noted by directory clerks, for inclusion in the next publication of the telephone directory.
6. New phone gets customer approval before installer completes job.



Projects in the Coastal Division covering the Fraser Valley and populous Lower Mainland of British Columbia during 1971 included installation of switching equipment and transmission facilities required for extensions of toll-free calling between several points. Toll-free calling between Whonnock and Mission is to begin in March, 1972, while other projects scheduled for completion about April will permit toll-free calling between the more than 10,000 phones in the Cloverdale and Langley exchange areas and the Vancouver-New Westminster Core Area. This Extended Area Service development will increase to about 596,000 — or roughly 54% of the total telephones in the B.C. Telephone system — the number of phones which Vancouver Core Area customers can call without toll charge.

Cost of the Cloverdale and Langley Extended Area Service installations exceeds \$1,816,000, in addition to which the Company will experience a loss in toll revenue that will be offset only partially by the increased monthly exchange service charges to Cloverdale and Langley subscribers. The expense involved in extending such toll-free calling, even in an area of relatively dense population, makes it clear that we can pursue such projects only when conditions permit inclusion of both these and the higher-priority projects essential to meet more basic communication requirements.

#### NEW BUILDING GOES UP

Among the many building projects undertaken by the Company during 1971, the largest was an eight-storey structure adjacent to the existing Prince George central office building in downtown Prince George.

The new building is scheduled for completion in May, 1972, and for occupancy by about 300 employees in the third quarter of the year. It has been designed to house sufficient equipment and personnel to meet anticipated demands for a number of years.

In mid-1972, we will begin installing in the new building a new toll switching machine and Direct Distance Dialing equipment that will extend DDD service to the Prince George

District, which covers the bulk of the Central Interior of the province, and to areas of the Terrace District without DDD service which, because of geographic features, can be served more economically from Prince George. Work began on installation of DDD facilities in the Peace River District in 1971, with service scheduled to begin in December, 1972.

The new toll switching machine in Prince George will also have significant electronic features designed to permit maximum flexibility and economy in routing long-distance traffic.

#### CUSTOMER SERVICE EMPHASIS

Of major significance during the past year was the Company's construction of the first building designed exclusively for a customer service operation. The building, located in Whalley, brings under one roof the business office, installation and repair facilities, and all records required to serve 52,000 subscribers in the area south of the Fraser River and east to Langley.

Construction of this facility marks another stage in the development of the Customer Service concept instituted by B.C. Telephone three years ago. This concept, which has now been introduced in the four Divisions of the company, groups the telephone installation and commercial functions in each Division in one entity, under a Division Customer Service Manager. Previously, these departments operated independently of each other. Experience to date indicates that the Customer Service concept benefits subscribers and the Company by encouraging improved co-ordination of operations involving contact with our customers.

Other building projects during 1971 included additions to the office in Cranbrook and an addition to the district building in Campbell River. Several smaller projects were undertaken at locations where increases in personnel and equipment made existing premises inadequate.

During 1971 the Company also occupied a building in Vancouver, purchased to house the data processing department, now named Management Information Services. The building was specifically constructed to house computer facilities and



Lunar-like appearance of Bell-Irving Mountain radio site in northwestern B.C. is heightened by fibreglass structure installed by B.C. Tel to house equipment. Sleek, rocket-like lines of the structure are designed to withstand winds that reach 100 miles per hour on the mountainside.



incorporates features that provide optimum operating conditions and a high degree of security for equipment and Company records. Our engineering activities were enhanced during the year with the installation of an in-house Hewlett Packard computer system. At the same time, we installed in this building the latest generation of computers for processing of customer bills and accounts among other things. These new facilities have resulted in lower costs and give the Management Information Services Department greater flexibility.

#### NEW RADIO SYSTEM

Major additions to long-distance facilities in the past year included a new radio system completed between Kamloops and Clearwater to provide increased circuits and better transmission quality. Circuit capacity of the radio system between Kamloops and Williams Lake was expanded and the first section of a new radio system between Williams Lake and Bella Coola was completed. This first section of the Williams Lake-Bella Coola system phases out 42 miles of open-wire landline that at times had to be serviced by a lineman on horseback because of the mountainous nature of the terrain it crossed.

Elsewhere, the southern B.C. radio system was improved from the Alberta border through to Vancouver and the Cranbrook-Moyie-Fernie radio network was expanded to provide more circuits to points in Alberta.

In the Northern Division, a new radio system began operating between Dawson Creek and Fort St. John to augment existing open-wire carrier. This provided expanded circuit capacity and also made data transmission possible on this route.

Work was also begun during the year on a new radio system that will provide an alternate route between Prince George, Vanderhoof and Fort St. James, and on a new radio system into the Granisle mining development on Babine Lake.

Atlin, the northernmost community in the province served by B.C. Telephone, was assured of more reliable communications by installation of a high-frequency radio system that will provide an emergency backup to the existing VHF system.

One of the most exciting projects begun during 1971 will see the B.C. Telephone system extended to the edge of space,

where communications satellites hover outside the earth's atmosphere to relay messages between cities and between continents.

A new radio system is being built to link Vancouver and Lake Cowichan on Vancouver Island, the site of an Earth Station under construction by the Canadian Overseas Telecommunications Corporation. This Earth Station will relay calls to and from the Intelsat IV satellite used to transmit Trans-Pacific calls. At the present time, Trans-Pacific calls to and from Vancouver are transmitted and received at Earth Stations in California and Washington State. Our system is connected to these stations by land line and radio.

The COTC station at Lake Cowichan is scheduled to begin operating in June, 1972. By 1973, the Vancouver-Lake Cowichan radio system will be expanded to carry signals from a second Earth Station at Lake Cowichan, this to be built by Telesat Canada. Telesat, a joint venture of the federal government and the telecommunications carriers, plans to launch a communications satellite in late 1972 to carry voice, data and video signals throughout Canada.

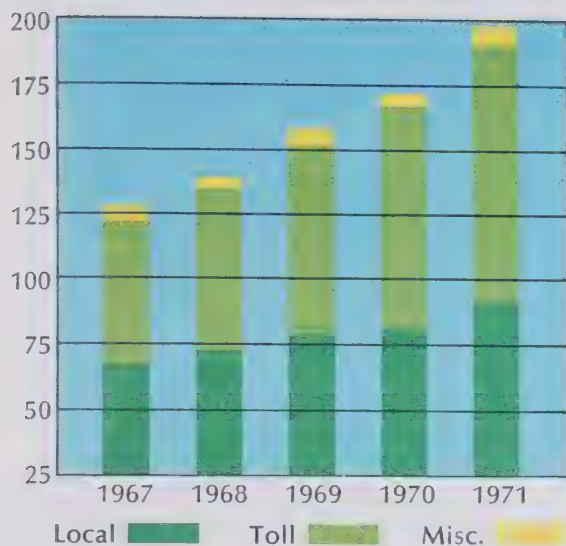
#### A PAGE FROM THE PAST

While work was underway on construction of the first phase of this space-age communications facility, B.C. Tel subscribers were offered a unique service option that provides a link with the past.

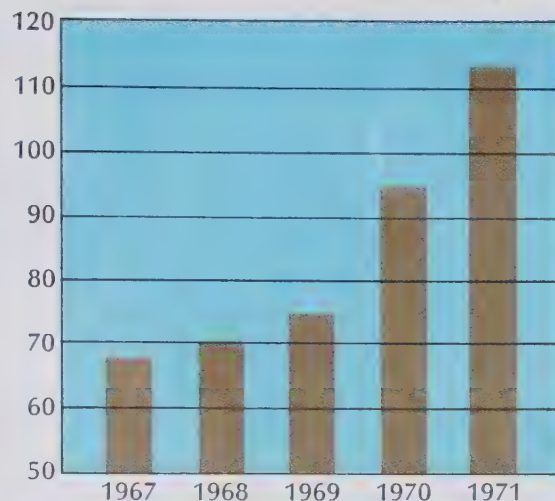
Elegant cradlephones — the original versions of which are now antiques — and phones completely contained in handsomely-finished chests were introduced toward the end of the year and immediately proved popular with subscribers. The new line of decorator phones is the latest addition to B.C. Telephone's list of telephone options.

Our data service offerings were broadened during 1971 in conjunction with the Trans-Canada Telephone System and further major changes in this area of service are planned for introduction in coming months. New radiotelephone and paging equipment for customer use will also be offered during 1972 as part of our continuing program to increase revenues and widen the scope of our services to British Columbia.

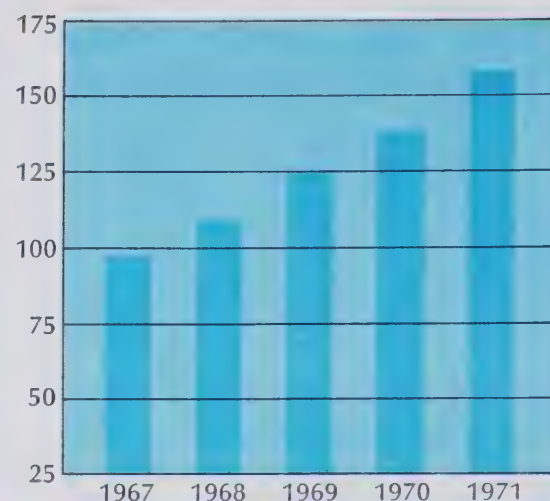
**Gross Revenue** Millions of dollars



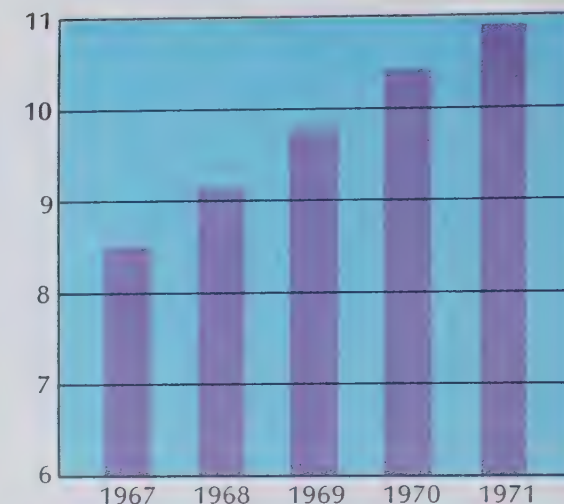
**Gross Plant Additions** Millions of dollars



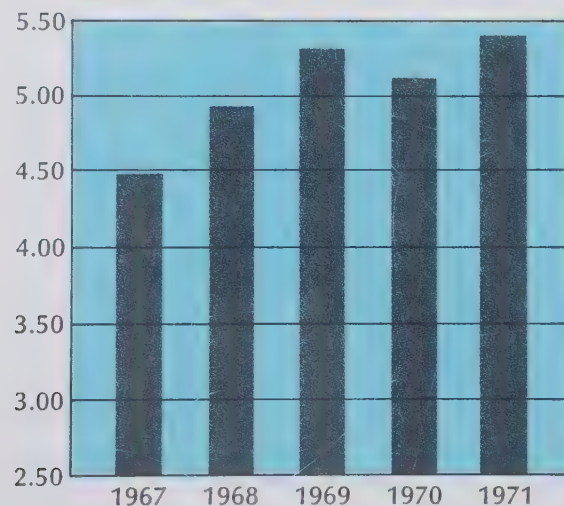
**Operating Expenses** Millions of dollars



**Telephones in Service** Hundreds of thousands



**Earnings Per Share** Dollars



## Financial Report

Consolidated gross revenues for the year totalled \$199,892,000, representing a 14% increase over 1970 and demonstrating a higher rate of growth than in the previous year when the gain was 11%. Contributing significantly to the 1971 increase was the substantial growth in toll revenues and the impact of revised tariffs effective from September 1.

For the first time in the Company's history, toll revenues exceeded those from local, or exchange, service. Toll service revenues increased by 17.8% from 1970, compared with a 13% increase in the previous year, and they reached \$100,045,000 — or slightly over 50% of the total. Local service revenues of \$93,444,000 were 9% above 1970 and represented 47% of the



1971 total revenues. After deducting \$1,795,000 for uncollectible accounts, the remaining \$8,198,000 came from miscellaneous sources, essentially directory advertising.

Operating expenses, excluding income taxes, increased by 15.4% to \$141,542,000, compared with an increase of 14.5% in 1970. The increase reflected primarily higher wage and salary costs and increased depreciation expense resulting from the larger investment in telephone plant.

Earnings available for interest, other fixed charges and dividends totalled \$42,703,000, compared with \$36,739,000 in 1970. This represented a rate of return on average invested capital of 7.38%, up from 7.02% in 1970.

Interest expense for 1971 reached \$22,288,000, a 26% increase over the previous year's \$17,687,000. This resulted from two factors — an increase in the debt outstanding and the increased cost of funds borrowed to replace \$35,500,000 in debt which matured March 1, 1971. This latter amount carried an average interest rate of about 3.9% and was replaced by a new issue of \$35,000,000 in First Mortgage Bonds bearing an interest rate of 8¼ %.

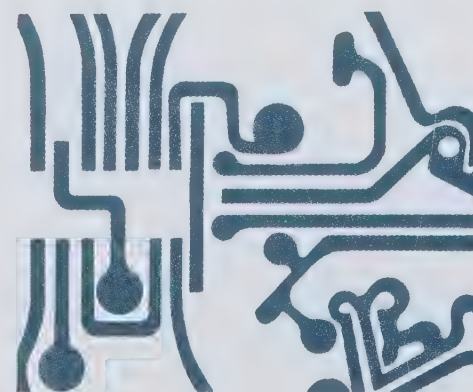
An additional \$35,000,000 in new debt capital was raised through the issue of two Series of First Mortgage Bonds in November, with \$10,000,000 of this bearing an interest coupon of 7½ % and maturing November 15, 1978, and with \$25,000,000 maturing November 15, 1995 bearing an interest coupon of 7⅞ %.

Between permanent financings the Company has been borrowing temporary funds for construction purposes through bank loans and the sale of short-term notes. At year-end, there were no bank loans but short-term notes totalled \$22,630,000, at interest rates ranging from 4.25% to 5.6%.

In September additional share capital was raised through an issue of 359,625 ordinary shares, offered at \$56 per share on a basis of rights to purchase one new ordinary share for every eight ordinary shares held. Proceeds of \$20,032,000 were used to reduce outstanding bank and short-term loans.

Net earnings totalled \$20,415,000, up \$1,363,000, or 7%, over 1970. After dividends of \$4,391,000 on preference and preferred shares, net earnings available for ordinary shares totalled \$16,024,000 or \$5.40 per average ordinary share outstanding. This was an improvement from \$14,661,000, or \$5.10 per share, in 1970.

Ordinary share dividends declared during the year totalled \$9,494,000, or \$3.20 per share, compared with \$3.05 in 1970. The remaining \$6,530,000 was retained in the business for growth and development.



BRITISH COLUMBIA TELEPHONE COMPANY

# Consolidated Statement of Earnings

For the years ended December 31, 1971 and 1970

	1971	1970
	Thousands of Dollars	
OPERATING REVENUES		
Local service .....	\$ 93,444	\$ 85,448
Toll service .....	100,045	84,906
Miscellaneous .....	8,198	7,042
Less—Uncollectible operating revenues .....	1,795	2,526
Total Operating Revenues .....	<u>199,892</u>	<u>174,870</u>
OPERATING EXPENSES		
Maintenance .....	42,518	36,554
Depreciation (Note 2) .....	38,454	34,338
Traffic .....	17,355	14,718
Commercial .....	12,879	10,764
General and administrative (Note 3) .....	22,652	19,286
Provincial, municipal and other taxes .....	7,684	6,996
Income taxes (Note 4) .....	17,070	16,988
Total Operating Expenses .....	<u>158,612</u>	<u>139,644</u>
OPERATING EARNINGS .....	41,280	35,226
Other income .....	1,423	1,513
Earnings Before Interest and Other Deductions .....	<u>42,703</u>	<u>36,739</u>
INTEREST AND OTHER DEDUCTIONS		
Interest on long-term debt .....	19,493	14,740
Other interest .....	2,439	2,642
Amortization of long-term debt expense .....	356	305
	<u>22,288</u>	<u>17,687</u>
NET EARNINGS .....	20,415	19,052
Preference and preferred dividends .....	4,391	4,391
ORDINARY SHARE EARNINGS .....	<u>\$ 16,024</u>	<u>\$ 14,661</u>
EARNINGS PER AVERAGE ORDINARY SHARE .....	\$5.40	\$5.10
DIVIDENDS DECLARED PER ORDINARY SHARE .....	\$3.20	\$3.05

BRITISH COLUMBIA TELEPHONE COMPANY

# Consolidated Balance Sheet

As at December 31, 1971 and 1970

## ASSETS

	1971	1970
	Thousands of Dollars	
TELEPHONE PLANT, at cost .....	\$849,200	\$755,491
Less — Accumulated depreciation (Note 2) .....	197,190	174,571
	<u>652,010</u>	<u>580,920</u>
INVESTMENTS AND OTHER ASSETS, at cost .....	<u>3,423</u>	<u>1,777</u>
CURRENT ASSETS		
Cash .....	625	331
Accounts receivable .....	25,365	21,278
Income taxes recoverable .....	2,719	1,502
Material and supplies, at cost .....	7,778	8,042
Prepayments .....	2,103	2,040
	<u>38,590</u>	<u>33,193</u>
DEFERRED CHARGES		
Unamortized long-term debt expense .....	5,858	5,143
Other (Note 5) .....	4,666	4,117
	<u>10,524</u>	<u>9,260</u>
Approved for Board of Directors,		
J. A. McMahon, Director	<u>\$704,547</u>	<u>\$625,150</u>
J. E. Richardson, Director		

## LIABILITIES

	1971	1970
	Thousands of Dollars	
CAPITALIZATION (per accompanying statement)		
Ordinary share equity .....	\$186,166	\$159,603
Preference and preferred shares .....	83,500	83,500
Minority interest in subsidiary .....	456	460
Long-term debt .....	317,954	284,030
Total Capitalization .....	<u>588,076</u>	<u>527,593</u>
SHORT-TERM NOTES .....	<u>22,630</u>	<u>23,404</u>
Total Capitalization and Short-Term Notes .....	<u>610,706</u>	<u>550,997</u>
CURRENT LIABILITIES (excluding current redemptions of long-term debt and short-term notes)		
Accounts payable .....	15,677	11,604
Dividends payable .....	3,512	3,224
Accrued interest .....	5,828	4,657
Unearned revenues .....	4,130	3,683
	<u>29,147</u>	<u>23,168</u>
INCOME TAXES DEFERRED (Note 4) .....	<u>64,694</u>	<u>50,985</u>
COMMITMENTS (Notes 6 and 7)		
	<u>\$704,547</u>	<u>\$625,150</u>



## BRITISH COLUMBIA TELEPHONE COMPANY

## Consolidated Statement of Capitalization

As at December 31, 1971 and 1970

	1971		1970
	Thousands of Dollars		
Authorized Share Capital \$250,000,000			
ORDINARY SHARE EQUITY			
Ordinary shares of par value of \$25 each; 3,236,625 shares outstanding			
of which 359,625 were issued in 1971 for cash .....	\$ 80,916		\$ 71,925
Premium on ordinary shares .....	53,706		42,548
Earnings retained for use in the business .....	51,544		45,130
	<u>186,166</u>	32%	<u>159,603</u> 30%
CUMULATIVE PREFERENCE AND PREFERRED SHARES			
Par Value of \$100 Each		Redemption Premium	
6% Preference .....	10%	1,000	1,000
6% Preferred .....	5%	4,500	4,500
4¾ % Preferred .....	5%	7,500	7,500
4¾ % Preferred (Series 1956) .....	4%	7,500	7,500
4½ % Preferred .....	4%	5,000	5,000
4¾ % Preferred .....	4%	6,000	6,000
5¾ % Preferred .....	4%	10,000	10,000
5.15% Preferred .....	5%	12,000	12,000
Par Value of \$25 Each			
4.84% Preferred .....	4%	20,000	20,000
6.80% Preferred (Not redeemable before June, 1978) .....	6%	10,000	10,000
	<u>83,500</u>	14%	<u>83,500</u> 16%
MINORITY INTEREST IN SUBSIDIARY .....	<u>456</u>		<u>460</u>
LONG-TERM DEBT			
British Columbia Telephone Company			
First Mortgage Bonds			
Series A to D redeemed March 1, 1971 .....	—		35,500
Series E 4¾ % due October 1, 1975 .....	\$ 7,000		\$ 7,000
Series F 5% due April 1, 1982 .....	25,000		25,000
Series G 5¼ % due November 1, 1983 .....	20,000		20,000
Series H 6% due September 15, 1984 .....	15,000		15,000
Series I 5¾ % due August 1, 1985 .....	15,000		15,000
Series J 5¾ % due July 15, 1986 .....	20,000		20,000
Series K 5⅝ % due April 15, 1988 .....	20,000		20,000
Series L 6¾ % due October 15, 1989 .....	30,000		30,000
Series M 6¾ % due March 15, 1991 .....	30,000		30,000
Series N 9⅛ % due April 1, 1990 .....	30,000		30,000
Series O 9⅝ % due November 15, 1992 .....	18,000		18,000
Series P 9⅛ % due November 15, 1992 .....	12,000		12,000
Series Q 8¼ % due March 1, 1994 .....	35,000		—
Series R 7½ % due November 15, 1978 .....	10,000		—
Series S 7⅞ % due November 15, 1995 .....	25,000		—

## CONSOLIDATED STATEMENT OF CAPITALIZATION (Continued)

	1971		1970	
	Thousands of Dollars			
Okanagan Telephone Company				
General Mortgage Sinking Fund Bonds due 1975 to 1986 at interest rates of 5% to 6½ % .....	5,954		6,530	
	<u>317,954</u>	54%	<u>284,030</u>	54%
Total Capitalization .....	<u>588,076</u>	100%	<u>527,593</u>	100%
SHORT-TERM NOTES (pending permanent financing)				
Promissory notes, 30 to 122 day duration at interest rates of 4-1/4% to 5-3/5% .....	22,630		15,404	
Bank demand notes .....	—		3,000	
Demand note payable to parent company .....	—		5,000	
	<u>22,630</u>		<u>23,404</u>	
Total Capitalization and Short-Term Notes .....	<u>\$610,706</u>		<u>\$550,997</u>	

The Deed of Trust and Mortgage of British Columbia Telephone Company requires an annual sinking fund payment of 1% of the principal amount of its bonds outstanding or the pledge of additional unmortgaged property. The Company's policy is to use the latter alternative and therefore in effect does not make sinking fund payments. The Deed of Trust and Mortgage of Okanagan Telephone Company requires an annual sinking fund payment of 2% of the original principal sum of each issue and this requirement, together with the debt maturities of both companies during each of the next five years is: 1972, \$9,000; 1973, \$145,000; 1974, \$145,000; 1975, \$7,458,000; 1976, \$133,000. In addition, the holders of any Series N or P Bonds have the right to elect that the Company shall repay the principal amount of such Bonds on April 1, 1975 and November 15, 1976 respectively.

At December 31, 1971, the First Mortgage Bonds, except for Series N, P and R which have not reached their call dates, are redeemable at premiums ranging from 1% to 9½ % providing any replacement borrowings carry an interest cost not lower than that of the bonds redeemed. The Okanagan Telephone Company's General Mortgage Sinking Fund Bonds are callable at premiums ranging from 1% to 5¾ %.

## Consolidated Statement of Earnings Retained for Use in the Business

For the years ended December 31, 1971 and 1970

	1971	1970
	Thousands of Dollars	
BALANCE AT BEGINNING OF YEAR .....	\$ 45,130	\$ 39,244
Ordinary share earnings .....	16,024	14,661
	<u>61,154</u>	<u>53,905</u>
Less—		
Ordinary share dividends .....	9,494	8,775
Share issue expenses .....	116	—
BALANCE AT END OF YEAR .....	<u>\$ 51,544</u>	<u>\$ 45,130</u>



# Consolidated Statement of Source and Application of Funds

For the years ended December 31, 1971 and 1970

	1971	1970
	Thousands of Dollars	
<b>SOURCE OF FUNDS</b>		
From Operations		
Ordinary share earnings	\$ 16,024	\$ 14,661
Add back expenses not requiring an outlay of funds		
Depreciation	38,454	34,338
Income taxes deferred (Note 4)	13,709	10,301
Other	810	723
	<u>68,997</u>	<u>60,023</u>
Financing Proceeds (Net)		
Ordinary shares	20,032	—
Long-term debt	68,857	58,863
Maturity of Series A to D First Mortgage Bonds	(35,500)	—
Decrease in short-term notes	(774)	(11,154)
	<u>52,615</u>	<u>47,709</u>
	<u>\$121,612</u>	<u>\$107,732</u>
<b>APPLICATION OF FUNDS</b>		
Gross plant additions	\$113,106	\$ 95,111
Less — Salvage value of plant retired	3,153	2,360
	<u>109,953</u>	<u>92,751</u>
Ordinary share dividends	9,494	8,775
Miscellaneous	2,747	2,744
Net change in working capital	(582)	3,462
	<u>\$121,612</u>	<u>\$107,732</u>

## Notes to Consolidated Financial Statements

### Note 1: PRINCIPLES OF CONSOLIDATION

The Company owns 99.9% of the common shares of Okanagan Telephone Company and the consolidated financial statements incorporate this subsidiary company's accounts.

### Note 2: DEPRECIATION

Depreciation rates are determined by a continuing program of engineering studies for each class of telephone plant in service, and depreciation provisions are calculated by applying such rates to the Company's investment therein each month. This procedure resulted in a composite rate of 5.10% (5.13% in 1970).

Accumulated depreciation at December 31, 1969 was overstated by an amount of \$6,368,000 resulting from a change to

a more appropriate method of determining the depreciation rate applicable to the Company's investment in telephone station connections. This over-provision is being eliminated over a five-year period which commenced in 1970.

### Note 3: GENERAL AND ADMINISTRATIVE EXPENSE

	1971	1970
	Thousands of Dollars	
Finance and data processing services	\$ 7,854	\$ 5,926
Engineering	3,502	3,215
Executive and administrative services	4,390	4,000
Stationery, rents, insurance and other	4,329	4,058
Pensions and other benefits	6,862	5,404
Less—Charged to construction	4,285	3,317
	<u>\$22,652</u>	<u>\$19,286</u>

During the year ended December 31, 1971 there were 11 directors who received aggregate remuneration of \$15,000 as directors, and 12 officers who received aggregate remuneration of \$373,000 as officers. Two directors were also officers. None of the directors or officers received remuneration from a subsidiary of the Company.

#### Note 4: INCOME TAXES

Income tax expense includes \$10,770,000 (\$10,301,000 in 1970) of taxes which are not currently payable due to the Company claiming for income tax purposes certain amounts, including capital cost allowances in excess of depreciation recorded in the accounts, which have not yet been charged against income. In addition during 1971, provisions covering retroactive claims for the 1970 and 1969 taxation years were made in connection with some of these income tax timing differences; as a result income taxes deferred were increased by a further \$2,939,000.

The accumulated amount of income taxes otherwise payable as a result of the above tax timing differences is shown on the Balance Sheet as Income Taxes Deferred.

During the period 1955 to 1971, the Company claimed currently for income tax purposes, pension costs which were capitalized in the accounts. The Railway Transport Committee in its decision dated July 30, 1971 approved the Company's intention effective January 1, 1972 to recognize income taxes otherwise payable relating to this timing difference. The accumulated amount of income taxes not so recognized is \$5,284,000 as at December 31, 1971 for which no retroactive adjustment is required.

#### Note 5: OTHER DEFERRED CHARGES

This item primarily represents preliminary capital project engineering costs and certain equipment purchases which will be distributed to the telephone plant accounts concurrent with the project entering its construction phase.

#### Note 6: PENSIONS

The Company and its subsidiary have pension plans under which employees, upon retirement, receive a monthly pension if conditions related to age and period of service have been met. The total pension provision accrued was \$5,367,000 (\$4,127,000 in 1970) which includes \$1,291,000 (\$1,124,000 in 1970) for the amortization of past service costs together

with interest thereon over 25 years from January 1, 1965. The Company funds the annual pension cost accrued and the fund exceeds any benefits vested with the employees. Based on an actuarial study received during 1971, the estimated unfunded liability for past service cost is \$14,245,000 at December 31, 1971.

#### Note 7: CONSTRUCTION PROGRAM

The Company and its subsidiary have announced construction programs for additional telephone plant and facilities in 1972 which are estimated to cost \$131,000,000 and substantial purchase commitments have been made in connection therewith. The companies intend to finance their construction program by cash available from operations to the extent of approximately \$65,000,000 and the balance by short-term notes pending permanent financing.

## Auditors' Report

To the Shareholders of  
British Columbia Telephone Company:

We have examined the consolidated balance sheet and statement of capitalization of BRITISH COLUMBIA TELEPHONE COMPANY and its subsidiary, Okanagan Telephone Company, as of December 31, 1971, and the related consolidated statements of earnings, earnings retained for use in the business and source and application of funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We have previously examined and reported on the financial statements for the preceding year.

In our opinion, the accompanying consolidated financial statements referred to above present fairly the financial position of British Columbia Telephone Company and its subsidiary as of December 31, 1971, and the results of their operations and the source and application of their funds for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

ARTHUR ANDERSEN & CO.  
Chartered Accountants

Vancouver, Canada  
January 31, 1972



## Ten-Year Record of Progress

PARTICULARS	1971	1970
SELECTED INCOME ITEMS (Thousands of dollars)		
1 Total operating revenues	\$ 199,892	\$ 174,870
2 Local service	93,444	85,448
3 Toll service	100,045	84,906
4 Total operating expenses	158,612	139,644
5 Salaries and wages	64,520	54,167
6 Other operations expense	30,884	27,155
7 Depreciation	38,454	34,338
8 Provincial, municipal and other taxes	7,684	6,996
9 Income taxes	17,070	16,988
10 Interest and other deductions	22,288	17,687
11 Preference and preferred dividends	4,391	4,391
12 Ordinary share earnings	16,024	14,661
13 Ordinary share dividends	\$ 9,494	\$ 8,775
SELECTED BALANCE SHEET ITEMS (Thousands of dollars)		
14 Investment in telephone plant	\$ 849,200	\$ 755,491
15 Accumulated depreciation	197,190	174,571
16 Total invested capital	610,706	550,997
17 Long-term debt	317,954	284,030
18 Preference and preferred shares	83,500	83,500
19 Ordinary share equity	\$ 186,166	\$ 159,603
FINANCIAL RATIOS		
20 Earnings per average ordinary share	\$ 5.40	\$ 5.10
21 Dividends declared per ordinary share	\$ 3.20	\$ 3.05
22 Equity per ordinary share	\$ 57.52	\$ 55.48
23 Percent return on average ordinary share equity	9.61	9.38
24 Percent return on average invested capital	7.38	7.02
25 Percent long-term debt to total capitalization	54	54
OTHER STATISTICS		
26 Telephones in service	1,099,791	1,037,684
27 Percent D.D.D.	91.3	91.6
28 Net plant investment per telephone	\$ 593	\$ 560
29 Gross plant additions (Thousands of dollars)	\$ 113,106	\$ 95,111
30 Local calls — daily average	7,085,000	6,281,000
31 Toll calls completed — daily average	155,000	137,000
32 Total salaries and wages (Thousands of dollars)	\$ 88,724	\$ 74,217
33 Number of employees	10,274	9,636
34 Number of shareholders	22,287	22,927

1969	1968	1967	1966	1965	1964	1963	1962
\$ 158,044	\$ 139,389	\$ 126,828	\$ 112,527	\$ 99,701	\$ 87,475	\$ 77,392	\$ 71,635
78,363	72,641	67,410	59,279	53,906	49,292	45,822	43,579
74,969	63,391	56,552	50,746	43,561	35,987	29,674	26,524
125,236	109,430	99,214	88,799	77,669	67,750	59,572	55,222
44,546	38,950	36,423	32,472	26,339	23,045	20,865	20,019
23,591	20,096	17,989	16,087	14,254	12,671	10,432	10,269
32,719	28,832	26,450	22,945	21,345	18,535	15,649	13,926
6,298	5,595	4,863	3,934	3,218	2,835	2,568	2,325
18,082	15,957	13,489	13,361	12,513	10,664	10,058	8,683
14,740	13,975	13,201	9,350	8,431	8,026	7,322	7,382
4,391	4,179	3,716	3,691	3,824	3,473	3,319	2,855
14,804	12,757	11,618	11,144	9,880	8,456	7,610	6,628
\$ 8,416	\$ 6,991	\$ 6,603	\$ 6,214	\$ 5,696	\$ 5,524	\$ 5,294	\$ 4,431
\$ 678,715	\$ 616,605	\$ 559,922	\$ 480,762	\$ 429,967	\$ 393,361	\$ 362,955	\$ 335,865
155,765	133,396	116,035	97,664	83,072	69,619	57,782	48,225
496,773	464,768	438,670	398,969	345,740	321,005	302,073	286,637
224,538	224,701	225,513	187,500	157,500	157,500	137,500	137,500
83,500	83,500	73,500	73,500	73,500	65,500	65,500	53,500
\$ 153,717	\$ 130,107	\$ 124,684	\$ 119,669	\$ 114,740	\$ 95,505	\$ 92,573	\$ 90,637
\$ 5.28	\$ 4.93	\$ 4.49	\$ 4.30	\$ 4.16	\$ 3.67	\$ 3.31	\$ 3.29
\$ 3.00	\$ 2.70	\$ 2.55	\$ 2.40	\$ 2.40	\$ 2.40	\$ 2.30	\$ 2.20
\$ 53.43	\$ 50.25	\$ 48.15	\$ 46.21	\$ 44.31	\$ 41.50	\$ 40.22	\$ 39.38
10.11	10.05	9.54	9.53	9.89	9.02	8.33	8.51
7.08	6.84	6.63	6.61	6.63	6.37	6.19	6.13
49	51	53	50	46	49	47	49
974,823	914,304	855,657	761,129	709,564	661,708	625,103	594,292
89.3	88.1	76.1	72.2	72.7	70.1	68.4	67.3
\$ 536	\$ 528	\$ 519	\$ 503	\$ 489	\$ 489	\$ 488	\$ 484
\$ 74,666	\$ 70,803	\$ 68,431	\$ 60,682	\$ 47,984	\$ 39,272	\$ 35,892	\$ 37,545
6,054,000	5,557,000	5,286,000	4,834,000	4,391,000	3,981,000	3,647,000	3,374,000
122,000	104,000	94,000	85,000	76,000	66,000	59,000	58,000
\$ 60,808	\$ 53,372	\$ 48,197	\$ 42,004	\$ 35,568	\$ 30,785	\$ 27,876	\$ 27,012
8,889	7,991	7,554	7,243	6,337	5,696	5,423	5,330
23,503	24,274	21,800	22,498	23,067	23,609	24,722	23,993



## We serve the province

Almost all of British Columbia's 366,000 square-mile area and more than 2,000,000 population is served by our phone network and that of our Okanagan subsidiary — and the people who comprise these companies. On this page and in the map adjacent, some aspects of telephone operations throughout the Province are depicted.

At top left, the new electronic exchange at Mackenzie, in the Northern Division, is tested before being placed in service. The adjacent picture shows the Gift Phone Desk that

operated in the lobby of the William Farrell Building in Vancouver in the weeks before Christmas. At bottom left, the public office in the new Cranbrook district headquarters building in the Interior Division is shown, while in the next shot the draftsman is at work in the Vernon headquarters of Okanagan Telephone. The picture on the right shows the new Bastion Phone Booth in Nanaimo, a replica of the old Hudson's Bay Company fort still standing in the Vancouver Island city.

